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General Assembly
Sixtieth session

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Fifth Committee

Summary record of the 49th meeting
Held at Headquarters, New York, on Thursday, 27 April 2006, at 3 p.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Agenda item 46: Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields (*continued*)

Agenda item 118: United Nations reform: measures and proposals (*continued*)

Agenda item 120: Follow-up to the outcome of the Millennium Summit (*continued*)

Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Agenda item 128: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 129: Human resources management (*continued*)

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

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06-33138 (E)

The meeting was called to order at 4.55 p.m.

Agenda item 46: Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields (*continued*)

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Agenda item 120: Follow-up to the outcome of the Millennium Summit (*continued*)

Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Agenda item 128: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 129: Human resources management (*continued*)

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Investing in the United Nations: for a stronger Organization worldwide (*continued*)
(A/C.5/60/L.37/Rev.1)

Draft resolution A/C.5/60/L.37/Rev.1 (*continued*)

1. **The Chairman** drew the attention of the Committee to a letter addressed to him by the Secretary-General, dated 27 April 2006.

2. **Mr. Abelian** (Secretary of the Committee) read out the letter, which was worded as follows:

> "Dear Mr. Chairman,
>
> Over the last several days, I had the opportunity to discuss with Member States my report on 'Investing in the United Nations: for a stronger Organization worldwide'.
>
> "It is apparent that there are some concerns related to proposals 20 and 21. While my sole purpose was to propose more efficient working methods for the intergovernmental process, I recognize that these two proposals have provoked concern and resistance.
>
> "Certainly they should not be allowed to stand in the way of consensus or lead to a departure from the valuable and well-established practice of avoiding divisive votes on budgetary matters. Neither should they be an impediment to achieving progress on other aspects of reform. Accordingly, the Committee may wish to set aside proposals 20 and 21.
>
> "With this contentious issue set aside, I would urge the Committee to proceed quickly to an agreed resolution adopted by consensus that allows the programme of work on the management reforms to continue without delay."

3. **Mr. Pfanzelter** (Austria), speaking on behalf of the European Union, said that the letter of the Secretary-General was an important new development. He requested a suspension of the meeting to allow not just the European Union, but all other States and groups of States, to consider its contents.

4. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that, as the letter raised issues connected with the draft resolution introduced by his Group, he would like to consult all the co-sponsors on its implications. He requested that the meeting should be suspended to allow such consultation.

5. **Mr. Bolton** (United States of America) said that his delegation had no objection to the idea of suspending the meeting. He hoped that delegations would take the opportunity to focus on the true meaning of the letter of the Secretary-General.

6. **Ms. Chassoul** (Costa Rica) reminded the Committee of the importance of properly understanding and applying rules 106 and 107 of the rules of procedure of the General Assembly. Costa Rica had supported a flexible interpretation and implementation of the rules of procedure in deference to the Bureau of the Committee and in the sincere hope that the delegations would reach a consensus on the draft resolution introduced by the Group of 77 and China, but trusted, in the unfortunate event that it

proved impossible to adopt the draft resolution by consensus, that the Committee would proceed in strict conformity with those rules.

The meeting was suspended at 5 p.m. and resumed at 5.50 p.m.

7. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that his Group, after carefully considering the letter addressed to the Chairman by the Secretary-General, wished to propose a further revision to draft resolution A/C.5/60/L.37/Rev.1, as orally revised at the previous meeting (see A/C.5/60/SR.48). The new revision would consist of deleting paragraphs 1 to 5 of section VIII, which related to proposals 20 and 21 of the report of the Secretary-General (A/60/692). They would be replaced with the following text:

> "*Takes note* of the letter of the Secretary-General to the Chairman of the Fifth Committee, dated 27 April 2006, recommending to set aside proposals 20 and 21, and decides that the suggestions in those proposals will not be pursued any further in the context of the consideration of the Secretary-General's report or in any other context".

The Group of 77 and China would await the reaction of its partners before proposing further action.

8. **Mr. Bolton** (United States of America) said that, while his delegation was pleased that the Group of 77 and China had given consideration to the letter of the Secretary-General and was prepared to discuss the matter further, it could not accept the proposed revision to the draft resolution. The United States did not object to the draft resolution stating that proposals 20 and 21 should not be considered in the Fifth Committee, a position which his delegation had in fact been advocating for some time. However, it believed not only that the ideas in proposals 20 and 21 of the report of the Secretary-General should be discussed by the General Assembly in plenary session, but also that the Fifth Committee must neither seek to limit what the Member States could discuss in that forum, nor to invoke the letter of the Secretary-General to prevent the General Assembly specifically from debating proposals 20 and 21.

9. **Mr. Marschik** (Austria), speaking on behalf of the European Union, said that his Group and a number of other States had reaffirmed their desire to strive for consensus and to avoid a divisive vote in the letter they had addressed to the President of the General Assembly earlier in the day (see A/C.5/60/SR.48), to which the Committee seemed to have given scant attention. His Group had considered the subsequent letter of the Secretary-General addressed to the Chairman in a positive spirit. While it continued to believe that the proposals regarding governance in the report of the Secretary-General should be discussed on an equal footing with all other proposals in the report, it would be prepared to set aside proposals 20 and 21 for the sake of consensus if others were prepared to do the same. However, the Group of 77 and China appeared to be advocating a course of action that would go beyond the setting-aside of proposals 20 and 21 and encompass the handling of those issues at a later stage. His Group believed that the Fifth Committee should instead return to, and work on the basis of, the measures which the Secretary-General had suggested in his letter.

10. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that he would confine his comments to the letter from the Secretary-General currently before the Committee, not having seen any other letter which might be discussed. His Group was very reluctant to adopt, as it stood, the suggestion of the Secretary-General that consideration of proposals 20 and 21 should be set aside, regarding it as too ambiguous. As the letter had been addressed to the Chairman of the Fifth Committee, the Group assumed it was aimed at ensuring that proposals 20 and 21 would be set aside only in the Fifth Committee. However, the Group wished proposals 20 and 21 to be set aside once and for all, in other words not just in the Fifth Committee, but also elsewhere, and had worded its proposed revision accordingly.

11. **The Chairman** suggested that, in order to consider the most recent proposal of the Group of 77 and China, the Committee should proceed to "informal" informal consultations later on the same day.

12. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that, before taking the discussion any further, the Committee should recall where it stood. His Group had originally requested immediate action on its draft resolution, as orally revised. The European Union had requested a recorded vote on the draft. The letter of the Secretary-General had then been put before the Committee for

consideration. The Group of 77 and China had subsequently informed the Committee that it was willing to set aside proposals 20 and 21 on the clear understanding that there should be no doubt about the interpretation of the phrase "set aside". He would like to know whether the basis for the "informal" informal consultations would be the draft resolution in the form it had taken before the request for a recorded vote or the draft resolution in whatever form it might assume after consideration of the letter of the Secretary-General.

13. **Mr. Bolton** (United States of America) said that his delegation would also like the Committee to reflect on the current situation before discussion proceeded any further. Recalling that proposals 20 and 21 in the report of the Secretary-General dealt with relations between the Secretariat and the General Assembly and made specific suggestions for improving the overall operation of the United Nations bodies dealing with budget and management matters, he emphasized that the wording which the Group of 77 and China proposed to insert in draft resolution A/C.5/60/L.37/Rev.1 would bar those proposals from discussion in the Fifth Committee or anywhere else, presumably indefinitely. That conflicted with his delegation's interpretation of the phrase "set aside".

14. Moreover, sovereign Governments could not be prevented from discussing proposals 20 and 21 in the General Assembly. While his own Government did not agree with every aspect of those proposals, it saw merit in debating them. The Group of 77 and China had not merely raised a technical matter — the wording of a draft resolution — but seemed to be seeking to exclude a major issue — the improvement of governance — from discussion in any United Nations forum. His Government could not accept that approach and hoped that other Governments would consider carefully the implications of so drastic a limitation of the ability to move forward reform in the United Nations system.

15. **Mr. Ozawa** (Japan) said that the proposed new revision of the draft resolution had left his delegation perplexed. The intent of the letter of the Secretary-General to the Chairman had been to suggest that, because proposals 20 and 21 had acquired a political momentum of their own, they should be set aside to enable the Committee to remain faithful to its long tradition of making decisions by consensus. However, the wording put forward by the Group of 77 and China risked precipitating a new division and having the opposite effect.

16. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that, in the light of the reaction to the Group's proposal, the only possible course of action was to revert to the stage reached before the suspension of the meeting, when the Group had requested action on its draft resolution without a vote and in strict accordance with the rules of procedure of the General Assembly, while the European Union had called for a recorded vote.

17. **The Chairman**, suggested that the Committee's next formal meeting should be held on 28 April 2006 at 3 p.m., thereby allowing delegations time to take a fresh look at the draft resolution in the light of the Secretary-General's letter and to conduct consultations.

18. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that he wished to reiterate the position of his Group, namely that all the sponsors of draft resolution A/C.5/60/L.37/Rev.1 were requesting that it should be adopted without a vote and in accordance with the rules of procedure of the committees of the General Assembly and of the General Assembly itself.

19. **The Chairman** said that he would like to know whether the Group of 77 and China was at all willing to take up his suggestion of further consultations.

20. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that his Group was still uncertain what exactly the Committee would be discussing if it devoted more time to consultations.

21. **The Chairman** said that, at previous meetings, a number of delegations which were not members of the Group of 77 and China had expressed disagreement with aspects of draft resolution A/C.5/60/L.37/Rev.1, including, but not restricted to, the aspects relating to proposals 20 and 21. In his view, if the draft resolution was to be adopted by consensus, it must be examined as a whole to ensure that all delegations were in a position to support it.

22. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that his Group was still not sure where the Chairman's suggestion would lead. The Group had proposed a further revision of its draft resolution in an attempt to accommodate the content of the letter of the Secretary-General. As some delegations had already expressed their opposition to

that revision, the only remaining basis for discussion was the Group's draft resolution in the form it had taken before the suspension of the current meeting.

23. **Mr. Marschik** (Austria), speaking on behalf of the European Union, said that his Group supported the efforts of the Chairman to maintain the momentum of discussion, and supported his suggestion. In his letter, the Secretary-General had offered the Committee a possible basis for consensus, a goal to which the European Union was still committed. His Group regretted and deplored the unwillingness of the Group of 77 and China to pursue such efforts.

24. The representative of South Africa, speaking on behalf of the Group of 77 and China, had earlier maintained that his Group had not received the letter addressed to the President of the General Assembly by the States members of the European Union, and a number of other States, informing him of their considerable difficulties with the original text of draft resolution A/C.5/60/L.37/Rev.1. He was willing to read out the letter if necessary, as it had gathered the support of 45 States and illustrated how far from consensus the Committee still was.

25. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China on a point of order, said that his Group questioned the relevance to the current situation of the letter referred to by the representative of Austria. The Group of 77 and China had requested that the rules of procedure of the General Assembly should be followed. It wished to avoid recourse to rule 113.

26. **Mr. Bolton** (United States of America) said that the Committee had become caught in a vicious circle. The arguments being repeatedly presented to it illustrated the lack of consensus on draft resolution A/C.5/60/L.37/Rev.1. Two options existed. The first was for the Group of 77 and China to decide whether it wished to press for a decision on its draft resolution, with the consequences that that entailed. The second was for the Committee to ask its Chairman simply to report its inability to reach a consensus to the President of the General Assembly, thus acting in accordance with the letter by which the President of the General Assembly had originally referred the report of the Secretary-General to the Fifth Committee for consideration. In the view of his delegation, the Committee should consider those options, as the alternative was to remain in an endless cycle of argument and counter-argument.

27. **Mr. Abdelaziz** (Egypt) said that his delegation took issue with, and regarded as inappropriate, the use of the word "deplore" by the representative of Austria, speaking on behalf of the European Union, to describe the actions of the Group of 77 and China. Speakers should observe a minimum degree of courtesy.

28. Turning to the letters to which the Committee had been referring, he indicated his delegation's view that the letter addressed by 50 or so representatives to the President of the General Assembly amounted to a motion of no action on draft resolution A/C.5/60/L.37/Rev.1, because — as a prerequisite for referring the matter back to the plenary Assembly — some action must be taken on the draft resolution, which could not simply be left in abeyance. The rules of procedure of the General Assembly required a certain sequence of events. Either the sponsors must withdraw their draft, in which case the matter could be referred to the General Assembly, or the Committee must take action on that draft, in which case the matter could be referred to the General Assembly if the draft was rejected. If the European Union was in fact proposing a motion for no action on draft resolution A/C.5/60/L.37/Rev.1, the Committee should put that motion to a vote and decide the fate of the draft resolution as a consequence. If the European Union was not in fact proposing a motion for no action, the Committee should proceed as the rules of procedure of the General Assembly required. His delegation wished to remind the Committee that the European Union, at the previous meeting, had requested a recorded vote on the draft resolution, and to urge the Chairman to ensure that the rules of procedure of the General Assembly were followed.

29. **Mr. Cabral** (Guinea-Bissau) said that he wished to echo the views of the representative of Egypt and stress that, whatever the frustrations delegations felt, they must remain measured in their reactions and avoid inappropriate language. Turning to the letter to the President of the General Assembly, which had been mistakenly dated 27 May 2006, he assured the representative of Austria that his delegation had paid attention to its content.

30. **Ms. Banks** (New Zealand), speaking also on behalf of Australia and Canada, said that the Chairman's suggestion of further "informal" informal

consultations deserved consideration. The Secretary-General rarely approached the Committee with an appeal of the kind made in his letter to the Chairman. Her Group believed that his suggestion to set aside proposals 20 and 21 provided a possible way out of the current impasse. In any event, no Member State could in effect require that a particular topic should be set aside for all time and in all circumstances, and her Group certainly did not share such an interpretation of the letter.

31. **Mr. Debabeche** (Algeria) said that his delegation supported the views expressed by the representative of Egypt.

32. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that his Group had listened carefully to the Chairman's suggestion and the reactions of other delegations to that suggestion. However, it could see no alternative but to request respectfully that the Chairman should withdraw his suggestion and tell the Committee to return to the stage it had reached before the suspension of the current meeting.

33. **Mr. Trautwein** (Germany) said that his delegation deplored the course of the current discussion, which ran counter to the Fifth Committee's reputation for being businesslike and consensual and accepting any reasonable suggestion made by the Chairman. In the current instance, his delegation expressed its support for the Chairman's suggestion and deplored the prospect of refusing to give fair consideration and time to a letter from the Secretary-General to the Chairman of the Committee. He urged the members of the Committee to think twice before taking a step which they might later regret.

34. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that his Group had tried hard to prevent the current debate from degenerating into one that was unseemly for the Fifth Committee. He wished to take a moment to recapitulate, lest there be too much focus on the way forward and too little focus on how the current situation had arisen. The view of the Group of 77 and China was based on its belief that the report of the Secretary-General had an unfortunate underlying theme: to change the role of the Member States in overseeing the activities of the General Assembly.

35. The Group had also consistently expressed the view that proposals 16, 19, 20 and 21 were interrelated. While it had consented to the provisions of paragraph 11 of General Assembly resolution 60/246 regarding limited discretion in budgetary implementation for the Secretary-General, it had insisted that such discretion must be accompanied by clearly defined parameters and accountability mechanisms. While it would not reverse the consensus decision reflected in that paragraph, it expected its partners not to go beyond what had been agreed. Proposal 16 contained ideas introduced by its partners but originally rejected by the Group of 77 and China during the negotiation of resolution 60/246 on the ground that they lacked accountability.

36. The Group of 77 and China had been surprised to find that proposals 20 and 21 went beyond the recommendations contained in paragraphs 162 and 163 of the 2005 World Summit Outcome, and, more particularly, had never expected that acceptance of paragraph 162 of the Summit Outcome would deny Member States decision-making roles in the General Assembly and lead to the idea of decision-making by working groups of limited membership. While the Group understood and respected the tradition of consensus in the Committee, it wondered what alternatives were left to it after countless hours of discussion. At some stage, the Committee must take action on the draft resolution before it, no matter how painful that proved.

37. If the Chairman felt strongly that further consultations were in order, the Group of 77 and China would not stand in the way. To accommodate those who wished to continue the discussion, he was willing to take the responsibility of deciding on behalf of the Group that the next formal meeting of the Committee should be held at 10 a.m. on 28 April 2006, on the clear understanding that action on draft resolution A/C.5/60/L.37/Rev.1, as orally revised, would then be taken in accordance with the rules of procedure of the General Assembly.

38. **The Chairman** said he took it that the Committee agreed to proceed that evening to "informal" informal consultations on draft resolution A/C.5/60/L.37/Rev.1, as orally revised, and to meet in formal session the following day.

39. *It was so decided.*

The meeting rose at 6.40 p.m.

United Nations A/C.5/60/SR.50

General Assembly
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Fifth Committee

Summary record of the 50th meeting
Held at Headquarters, New York, on Friday, 28 April 2006, at 3 p.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Agenda item 46: Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields (*continued*)

Agenda item 118: United Nations reform: measures and proposals (*continued*)

Agenda item 120: Follow-up to the outcome of the Millennium Summit (*continued*)

Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Agenda item 128: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 129: Human resources management (*continued*)

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (*continued*)

Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Completion of the work of the Fifth Committee at the first part of the resumed sixtieth session of the General Assembly

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06-33144 (E)

The meeting was called to order at 3.50 p.m.

Agenda item 46: Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields (*continued*)

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Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Agenda item 128: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 129: Human resources management (*continued*)

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Draft resolution A/C.5/60/L.37/Rev.1

1. **The Chairman** drew attention to draft resolution A/C.5/60/L.37/Rev.1, entitled "Investing in the United Nations: for a stronger Organization worldwide", which had been submitted and orally revised by the representative of South Africa on behalf of the Group of 77 and China.

2. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that, at the request of certain members of the Group, he had met with the Permanent Representative of Austria, the current European Union President, to compare the two groups' positions on the draft resolution with a view to finding common ground. He requested that the meeting be suspended to enable him to brief the members of his Group on the meeting.

3. **Mr. Pfanzelter** (Austria), speaking on behalf of the European Union, confirmed that a meeting had taken place earlier in the day at the request of members of both groups and at the urging of the Secretary-General. He underscored that the purpose of the meeting had been to achieve a consensus on the outstanding issues; no course of action had been agreed at the meeting, since both delegations had first to consult with the members of their respective groups.

The meeting was suspended at 3.55 p.m. and resumed at 6.45 p.m.

4. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that the sponsors of draft resolution A/C.5/60/L.37/Rev.1 wished it to be adopted without a vote and in conformity with the rules of procedure of the General Assembly. They were therefore willing to withdraw the revision to section VIII of the draft resolution proposed at the Committee's 49th meeting. He regretted that it had not been possible to bridge the gap between delegations despite his own efforts and those of his Austrian counterpart, noting that a compromise solution that would have been acceptable to the Group of 77 and China had been offered only to be taken off the table subsequently. He urged the Committee to adopt the draft resolution with the revisions proposed orally at the Committee's 48th meeting.

5. **The Chairman** said that a recorded vote had been requested on the draft resolution. In that connection, he drew attention to rule 128 of the rules of procedure of the General Assembly.

6. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that it would be helpful to know which delegations had made the request.

7. **Mr. Abelian** (Secretary of the Committee) said that the vote had been requested by the delegations of Andorra, Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, New Zealand, Poland, Portugal, the Republic of Korea, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America.

8. **Mr. Pfanzelter** (Austria), speaking on behalf of the European Union in explanation of vote before the voting, said that management reform was central to achieving a stronger and more effective United Nations. He therefore welcomed the Secretary-General's report (A/60/692 and Corr.1), which would serve as a good basis for such reform and was particularly valuable because it presented Member States with the Secretary-General's own vision of the situation at hand. He also endorsed the relevant observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

9. Since the Secretary-General's proposals were rather general in nature, the European Union wished to reserve its position until it received additional information. However, it saw merit in many of the proposals and stood ready to discuss them in more detail and take the necessary decisions once the follow-up reports had been submitted.

10. While the European Union did not support any proposal to vest decision-making in small, exclusive groups of States, recent events had clearly demonstrated that the current working methods of the Fifth Committee must be improved. Consequently, it was willing to consider more detailed proposals on governance with a view to moving forward in a way that respected the rights of all Member States.

11. The draft resolution currently before the Committee had not been prepared in accordance with the Committee's traditional working methods. It did not enjoy consensus and failed to reflect crucial concerns of the European Union and other delegations. Accordingly, the European Union could not agree to its adoption.

12. All the proposals in the Secretary-General's report were interrelated, and therefore the European Union could not subscribe to a selective approach. The General Assembly must be allowed to take a well-informed decision in May, on the basis of all relevant information, and the Secretary-General's advice on how to strengthen the management of the Organization, as contained in the report, should be given serious consideration.

13. The European Union had made every effort to reach a consensus on the issue in question and had continued to negotiate on all proposals on the table, including an alternative text it had drafted in a spirit of compromise, until the very last minute. While he appreciated the efforts of the Group of 77 and China, he nevertheless wished to express his deep concern about the submission of a proposal that did not enjoy consensus and reflected, in many areas, the position of only one group of Member States.

14. The European Union did not wish to take action on the draft resolution because it undermined the long-standing working methods of the Fifth Committee and violated the consensus principle. Taking action on the proposal might further polarize the Members of the United Nations on the important issue of management reform, and he therefore appealed to all Member States to take those considerations into account when deciding how to vote on the draft.

15. **Mr. Bolton** (United States of America) said that, while his delegation did not support the draft resolution, it respected the tenacity with which the Group of 77 and China had argued its position and appreciated the good faith in which the negotiations had been conducted in an effort to reach a consensus.

16. On 27 April 2006, a letter had been addressed to the President of the General Assembly by the Permanent Representatives of more than 40 countries stating that the draft resolution before the Committee was not acceptable to them and that, while they were ready to work for a true consensus on a mutually agreeable text, forcing a decision on a draft resolution on which there was no consensus would leave them no alternative but to vote against it. The Permanent Representatives had also expressed concern that a vote in such circumstances could entail considerable disadvantages for the United Nations, for the proposal itself and for the budget process.

17. His own delegation considered that, without top-to-bottom management reform, the United Nations would be ill-equipped to meet the demands placed on it by Member States. It was committed to pursuing necessary management reforms to ensure that the Organization remained effective, efficient, transparent and accountable. It would therefore vote against the draft resolution.

18. **Mr. Oshima** (Japan) said that his delegation supported the Secretary-General's commitment to reforming the United Nations to make it more effective, efficient and accountable and better able to respond to current and future needs. It had therefore participated actively and constructively in the

discussions on the Secretary-General's report (A/60/692 and Corr.1) and in the efforts to reach a consensus thereon and would continue to do so in the future. It believed that many of the proposals contained in the report did not require legislative action and urged their implementation.

19. His delegation was disappointed at the predicament in which the Committee now found itself. Clearly, there was no consensus on draft resolution A/C.5/60/L.37/Rev.1. Rather than take a vote on the text, thereby breaching the Committee's long-standing practice of consensus decision-making, it would have been preferable to report faithfully and accurately to the General Assembly on the areas of agreement and disagreement; the Assembly could then have considered a way forward on the basis of the Secretary-General's report. His delegation had proposed a number of amendments to the draft resolution, which had not been taken fully into account. The adoption of the text as it stood would be interpreted as a rejection or deferral of necessary reforms. For all those reasons, his delegation would vote against the draft resolution, and it urged those delegations that shared its concerns to do likewise or else to abstain.

20. **Ms. Banks** (New Zealand), speaking also on behalf of Australia and Canada, said that the draft resolution before the Committee was not a product of consensus, nor did it reflect the three delegations' strong support for reform. Nevertheless, they were disappointed to have to vote against the text when a vote need not have taken place. For almost two decades, the work of the United Nations on administrative and budgetary matters had largely been based on the idea of consensus. That system had served the membership and the Organization well because it recognized that the vital interests of all groups must be accommodated.

21. Accordingly, while the three delegations had strongly disagreed with the assertion by the Group of 77 and China that the Secretary-General's proposals on governance should be rejected, they had been willing to consider temporarily setting aside proposals 20 and 21 in the interests of reaching a consensus on a draft resolution. In that connection, they commended the efforts of the European Union to formulate a proposal that incorporated the main thrust of the revision to section VIII proposed by South Africa on behalf of the Group of 77 and China and regretted that it had not been possible to achieve a compromise.

22. The draft resolution submitted represented an unnecessary departure from the system of mutual accommodation, there being no proposals on the table that required an immediate decision. Such a departure risked causing serious harm not only to the Committee, but also to members' shared interest in management reform. Rather than offer the Secretary-General strategic guidance, the Committee's role should instead have been to provide such comments as it could agree on as input for the General Assembly's consideration of the Secretary-General's report.

23. The 2005 World Summit Outcome (A/RES/60/1), a document adopted by consensus, had requested the Secretary-General to submit proposals on the conditions and measures necessary for him to carry out his managerial responsibilities effectively. Proposal 16 in document A/60/692 and Corr.1 responded to that request, and the delegations for which she spoke fully expected the Secretary-General to elaborate on it. Yet the draft resolution before the Committee sought to prevent him from doing so. The sponsors contended that the scope of proposal 16 went beyond the limited discretion granted to the Secretary-General in resolution 60/246. However, one group of Member States could not designate itself the sole arbiter of what constituted "limited discretion". The Summit Outcome had given the Secretary-General a standing mandate to propose the conditions and measures he needed to manage, and she urged him to fulfil that mandate.

24. The three delegations could not support the draft resolution before the Committee. They called on all delegations to consider the message that its adoption would send.

25. **Mr. Thomson** (United Kingdom) said that his delegation would be compelled to vote against draft resolution A/C.5/60/L.37/Rev.1. Nevertheless, it strongly supported the Secretary-General's vision of a reformed United Nations better able to respond to global developments and emergencies and urged him to carry forward those aspects of the reform proposals that were within his authority. In conveying his vision to the General Assembly, the Secretary-General had responded boldly to the request made of him in the 2005 World Summit Outcome, which had been adopted by Member States' leaders by consensus. Viewed against that background, the recent developments in the Committee were a setback for reform efforts, imposed by one group of Member States. While his delegation respected the concerns expressed by the

Group of 77 and China, it regretted the polarization of the discussions in the Committee, and it was dismayed that members were being forced to take action on a draft resolution on which there was no consensus. It had been the Committee's consistent practice to take decisions by consensus, even on the most difficult and sensitive issues. Departing from that practice would bode ill for the future integrity of the budget process. All delegations must now redouble their efforts to find consensus solutions to make the United Nations more effective, efficient and responsive. It was to be hoped that, once the Committee had had its say on the technical aspects of the Secretary-General's report, Member States could engage in a more constructive debate on the political aspects in the plenary Assembly.

26. **Mr. Trautwein** (Germany) said that the adoption of the draft resolution would make it difficult for the Secretary-General to further develop the proposals he had put forward, notwithstanding the mandate given him by the world's Heads of State and Government and the urgent need for reform. The submission of a draft resolution that was not a product of consensus, while not contrary to the rules of procedure of the General Assembly, broke with a 19-year-old practice of the Committee and could have a very negative impact on its future work. Germany remained committed to reforming the United Nations in order to make it more effective, efficient and legitimate. Nevertheless, it would vote against the draft resolution.

27. **Mr. Sermoneta** (Israel) said that his delegation would like to be added to the list of delegations that had requested the recorded vote.

28. **Mr. Verbeke** (Belgium) acknowledged the efforts made by the Group of 77 and China to find a mutually acceptable solution to the current difficulties but expressed his regret that the Committee was being forced to vote on the draft resolution. The vote represented a departure from the long-standing practice of consensus in the Fifth Committee and the draft resolution itself ran counter to the Secretary-General's vision, a vision that was shared by his delegation. Management reform would enhance the effectiveness of the Organization and enable it to face the challenges before it in a more efficient manner. Belgium was not ready to rule out any options at the present stage, and it would therefore vote against the adoption of the draft resolution.

29. **Mr. Burian** (Slovakia) recalled that the Secretary-General's report outlined a general direction for the future of the Organization. While Slovakia reserved the right to comment in detail on individual proposals once additional information had been provided, it fully embraced the Secretary-General's vision and did not, at the present stage, want to rule out any options. He was very disappointed that, despite the best efforts of all concerned, it had been impossible to reach consensus on the draft resolution. The current text ran counter to the commitments made at the 2005 World Summit and, if adopted, would dramatically reduce the chance of achieving meaningful reform. One group of Member States had submitted a one-sided proposal, thereby undermining the long-standing practice of consensus and unnecessarily polarizing the entire membership of the Organization. It would therefore be unwise to adopt the draft resolution and his delegation would be voting against it.

30. **Mr. Majoor** (Netherlands) expressed serious concern about the short- and long-term consequences of the current situation for the future work of the Fifth Committee. He regretted the fact that, despite efforts to abide by its long-standing practice of consensus, the Committee was about to vote on a substantive matter.

31. The Netherlands was firmly committed to the United Nations and had honoured its commitment in both word and deed. However, the functioning of the Organization could and should be substantially improved and modernized, in order to free up resources for the benefit of the most disadvantaged and to attract additional funding. For that reason, his delegation welcomed the vision outlined in the Secretary-General's report and took the view that the Secretary-General had a right and indeed an obligation to present his views to the General Assembly.

32. His delegation had endorsed the Advisory Committee's observation that the report was too general and that more details should be provided before any decision was taken. However, the draft resolution currently before the Committee precluded the possibility of discussing the need to give the Secretary-General more flexibility in the area of management and the importance of avoiding micro-management by Member States. It was not in the interests of the membership as a whole to maintain the status quo. Consequently, while it remained fully committed to seeking agreement on reform-related issues in the future, under the present circumstances

the Netherlands would have to vote against the adoption of the draft resolution.

33. **Mr. Kovalenko** (Russian Federation) said that his delegation had made every effort to pursue the negotiating process. It believed that Member States could still have arrived at a mutually acceptable outcome and regretted that they had not done so. The Russian Federation would vote in favour of the draft resolution before the Committee, which reflected Member States' readiness to continue to consider management reform issues within the limits set by them and on the basis of the additional reports they had requested the Secretary-General to prepare. His delegation considered, and would continue to consider, all management reform proposals submitted by the Secretary-General based exclusively on the nature and extent of their contribution to increasing the effectiveness and efficiency of the Secretariat's work, as envisaged in the 2005 World Summit Outcome. It trusted that the Secretary-General would proceed immediately to the preparation of further detailed proposals taking account of the guidance provided in the draft resolution. In that connection, it believed that Member States retained the right to raise any issue related to the functioning and reform of the Organization.

34. **Mr. De La Sablière** (France) expressed surprise that the Committee had decided to vote on the draft resolution, because a compromise had seemed within reach and the vast majority of Member States did not want to vote. The Committee must learn from the current regrettable situation, which would have far-reaching consequences for the Organization as a whole, and take steps to improve its negotiating procedures. France would be voting against the draft resolution for the reasons given by the representative of Austria.

35. **Mr. Choi** Young-jin (Republic of Korea) said that his delegation supported the Secretary-General's proposals on management reform. The Republic of Korea also supported the long-standing tradition of consensus in the Fifth Committee. For those reasons, it would vote against the adoption of the draft resolution.

36. **Mr. Papadopoulos** (Greece) said that every member of the Committee agreed that management reform was essential if the United Nations was to respond effectively and efficiently to the challenges of the twenty-first century. His delegation had hoped to see a mutually acceptable draft resolution on management reform which addressed the concerns of all Member States, but unfortunately, despite the best efforts of the majority of those concerned, that was not the case. Accordingly, Greece was not in a position to support the text. He expressed regret that the Committee had had to depart from its traditional working methods and hoped that the plenary Assembly would manage to reach consensus.

37. **Mr. Yáñez-Barnuevo** (Spain) expressed regret that a vote would be taken on the draft resolution, which had not been prepared in accordance with the traditional working methods of the Fifth Committee and did not take account of the views of a significant number of Member States. Consequently, he would be voting against its adoption.

38. Despite the best efforts of the European Union, it had been impossible to reach consensus on the text of the draft resolution. He reiterated his delegation's support for the Secretary-General's efforts to reform the management of the United Nations with a view to achieving the common goal of effective and universally acceptable multilateralism.

39. **Ms. Lintonen** (Finland) said that she attached great importance to the Secretary-General's proposals and deeply regretted that the Committee had not been able to adhere to its long-standing practice of consensus. As a member of the European Union, Finland had been ready from the outset to make every possible effort to come up with a mutually acceptable solution but, in the absence of such a solution, it would be voting against the adoption of the draft resolution. She hoped that the vote would not have unforeseen and unfortunate consequences for the future work of the Fifth Committee and of the Organization as a whole.

40. **Mr. Berruga** (Mexico) reaffirmed his delegation's commitment to management reform, which was an essential part of the reform package that had been discussed at the 2005 World Summit. It was unfortunate that the Committee had been forced to vote on the draft resolution and abandon its long-standing tradition of consensus and particularly regrettable that it had been unable to engage in a detailed discussion of a question which was central to the debate as a whole. During the current session, efficiency and equity had emerged as seemingly contradictory values, but he firmly believed that it was possible to make the United Nations a more efficient and a fairer Organization. The

draft resolution currently before the Committee was the best way of taking the process forward and, accordingly, Mexico would vote in favour of its adoption.

41. *A recorded vote was taken on draft resolution A/C.5/60/L.37/Rev.1, as orally revised.*

In favour:

Algeria, Angola, Antigua and Barbuda, Argentina, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Chad, Chile, China, Colombia, Costa Rica, Cuba, Democratic Republic of the Congo, Djibouti, Dominica, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kenya, Kuwait, Lao People's Democratic Republic, Lebanon, Lesotho, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Russian Federation, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Syrian Arab Republic, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, United Arab Emirates, United Republic of Tanzania, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Palau, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, San Marino, Serbia and Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom, United States of America.

Abstaining:

Armenia, Norway, Uganda.

42. *Draft resolution A/C.5/60/L.37/Rev.1, as orally revised, was adopted by 108 votes to 50, with 3 abstentions.*

43. **Mr. Løvald** (Norway) expressed his regret that the Committee had failed to reach consensus on the draft resolution and had been forced to vote on the text. Norway had abstained from the voting because it took the view that the draft resolution had to be assessed on the basis of its content. It would have preferred the Committee to react more positively to the proposals on management reform, particularly in the areas of human resource management, strengthening the authority of the Secretary-General and budget and finance. However, the draft resolution would enable the Organization to take the reform process forward and ensure that Member States received additional information on a number of the proposals contained in the report.

44. Core political issues had been raised during the discussion of the proposals on governance. From the outset, he had taken the view that the defining characteristic of the United Nations was its multilateral and universal nature and he therefore shared the concerns expressed by the Group of 77 and China about the potential of the governance proposals to change that nature. Consequently, he strongly cautioned against the establishment of new governance structures consisting of small, representative groups of Member States.

45. He reaffirmed Norway's strong commitment to the ongoing management reform efforts, which were designed to further strengthen the Organization. If those essential reforms were to be successful, all Member States must recognize that, as an intergovernmental organization, the United Nations could function only on the basis of compromise.

46. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, reminded the Fifth Committee that the Group of 77 and China believed in the reform of the Organization and that it had tried, to the best of its ability, to reach a mutually acceptable solution.

47. All Member States, regardless of the size of their assessed contributions, had an equal right to participate in decision-making within the United Nations, and the Group of 77 and China was very attached to protecting the essential character of the Organization and, in particular, the oversight functions of the General Assembly. The successful implementation of the reform agenda required the collective engagement of all Member States, and the Group of 77 and China remained ready to support the Secretary-General in his efforts.

48. **Mr. Sardenberg** (Brazil) said that, as a member of the Group of 77 and China, his delegation was determined to further strengthen the role, capacity, effectiveness and efficiency of the United Nations. It remained committed to a management reform that would significantly improve the performance of the Organization in such key areas as development, peace, security and human rights and believed that such a reform was in the interest of all Member States.

49. Strengthened accountability was vital to ensure the effective and efficient implementation of legislative mandates, and the accountability of the Secretariat to all Member States was a fundamental part of management reform. The Secretary-General should set out clear parameters and propose instruments to ensure that accountability rules were rigorously enforced without exception at all levels.

50. The proposals on governance posed considerable difficulties for his delegation. It would be unacceptable to divide up the workload of the Fifth Committee among select working groups of limited membership, because such an arrangement would undermine the universal nature of the General Assembly, deprive certain Member States of the possibility of contributing to the review of the budget and give credence to the misconception that the Organization's management problems were due to its universal character.

51. He was convinced that the vote on the draft resolution had been a last resort in the face of obdurate opposition.

52. **Mr. Butagira** (Uganda) said that his delegation had abstained from voting because, in its view, the vote was premature. It would have been possible to reach a consensus, particularly in view of the efforts by the Secretary-General to move the process in that direction. The fact that the Committee had been forced to vote at such an early stage would undermine subsequent negotiations. Furthermore, since the Committee was viewed as the technical branch of the plenary Assembly, a vote which might prevent the plenary from taking a decision on such an important matter would have negative consequences.

53. **Mr. Abdel Aziz** (Egypt) said that the Committee needed to redouble its efforts to reach consensus on all reform proposals contained in reports by the Secretary-General. It was important to strive for a stronger Organization that would continue to preserve its intergovernmental nature and would continue to be based on equality and North-South cooperation. It should be remembered that all Member States were equal partners, regardless of their level of development and contribution to the budget.

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (*continued*) (A/60/7/Add.24 and Add.37 and A/60/585 and Corr.1 and Add.1 and 2)

54. **Ms. Udo** (Nigeria) said that her Government would continue to work with all other delegations to introduce reforms to further strengthen the Organization. It appreciated the tireless efforts of the Secretary-General in that regard.

55. Her Government was particularly grateful for the Secretary-General's contribution to the politically sensitive work of the Nigeria-Cameroon Mixed Commission. The work of the Commission reflected awareness of the challenges entailed, but also the opportunities to reinforce peace, trust and confidence on both sides. She noted with satisfaction the level of cooperation with Cameroon within the Commission. Much had been achieved and, with the continued cooperation and support of all parties, under the able leadership of the Secretary-General, it was certain to make further progress.

Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Draft decision A/C.5/60/L.39

56. **The Chairman** drew attention to draft decision A/C.5/60/L.39, entitled "Questions deferred for future consideration".

57. *Draft decision A/C.5/60/L.39 was adopted.*

58. **Mr. Ozawa** (Japan), speaking in explanation of position, said it was regrettable that the Member States had failed to adopt a draft resolution on the scale of assessments, thereby neglecting to provide guidance to the Committee on Contributions. The draft resolution was of a procedural nature, and in the past, such draft resolutions had been adopted by consensus. General Assembly resolutions 51/212 B and 54/237 D had been discussed and adopted by Member States, despite the fact that a consensus had not been reached with regard to the methodology to be used for the next scale period. The Fifth Committee had decided to send all proposals to the Committee on Contributions, with the understanding that Member States would be engaging in full-fledged negotiations in the autumn.

59. It was unreasonable that the unwillingness of a few Member States to acknowledge such precedents had prevented the Committee from adopting a resolution which would have served the wider interests of the entire membership of the Organization. By neglecting well-founded practices and depriving the Committee on Contributions of the guidance it deserved, those Member States had seriously undermined the established method of deciding the next scale of assessments.

60. Japan was of the view that the Fifth Committee should continue to make efforts to save the negotiation process from an unprecedented situation. Based on the proposal that it had submitted to the Committee, Japan intended to continue to take part in the negotiations to agree on a more equitable scale of assessments.

61. **Mr. Kovalenko** (Russian Federation) said that the draft resolution fully reflected the outcome of the negotiations. His delegation had worked resolutely to reach a compromise and lamented that the negotiations had been suspended, at the request of a certain delegation. It was taken aback by the accusations of the representative of Japan, and pointed out that such an approach made it difficult to establish a businesslike atmosphere in the Committee. It therefore urged all delegations to respect the positions taken by others.

62. **Mr. Wang** Xinxia (China) said that his delegation supported the decision to defer further consideration of the scale of assessments to the sixty-first session of the General Assembly. Together with other delegations, his delegation had made every effort to reach consensus on the report of the Committee on Contributions and deeply regretted the failure to do so. As to the statement by the representative of Japan on the question of established practices, if a Member State believed that a certain practice was inappropriate, that practice could be changed.

63. **Mr. Pfanzelter** (Austria), speaking on behalf of the European Union, said that his delegation was disappointed at the Committee's failure to adopt a resolution on the scale of assessments. The resolution was simply a procedural matter and there was a clear precedent for the adoption of such resolutions.

64. **Mr. Wallace** (United States of America) said that his delegation regretted the failure to reach a consensus on a draft resolution to provide further direction to the Committee on Contributions for its June session. It had made clear its position on purchasing power parity during the March session.

Completion of the work of the Fifth Committee at the first part of the resumed sixtieth session of the General Assembly

65. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that the Committee had managed to adopt numerous resolutions on many important issues. It had adopted resolutions to provide adequate financing to the nearly 30 special political missions for 2006 and had ensured that a Peacebuilding Support Office would be operationalized for the current biennium. It had provided guidance to the Secretariat with regard to performance evaluation and monitoring. It had considered improvements to the accountability framework of the Secretariat and had adopted a resolution that included the agreements reached by the Committee in December 2005 on the Ethics Office and the external evaluation and governance review. It also had adopted the resolution that would provide financing to the capital master plan project and had acted on the report of the Committee on Conferences.

66. **The Chairman** declared that the Fifth Committee had completed its work at the first part of the resumed sixtieth session of the General Assembly.

The meeting rose at 8.05 p.m.

United Nations A/C.5/60/SR.51

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Fifth Committee

Summary record of the 51st meeting
Held at Headquarters, New York, on Monday, 22 May 2006, at 10 a.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Organization of work

Agenda item 121: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Agenda item 139: Financing of the United Nations Peacekeeping Force in Cyprus

Agenda item 142: Financing of the United Nations Mission of Support in East Timor

Agenda item 143: Financing of the United Nations Mission in Ethiopia and Eritrea

Agenda item 144: Financing of the United Nations Observer Mission in Georgia

Agenda item 146: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission

Agenda item 147: Financing of the United Nations Interim Administration Mission in Kosovo

Agenda item 149: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force

(b) United Nations Interim Force in Lebanon

Agenda item 150: Financing of the United Nations Mission in Sierra Leone

Other matters

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06-35555 (E)

The meeting was called to order at 10 a.m.

Organization of work (A/C.5/60/L.40)

1. **The Chairman** drew attention to the proposed programme of work and to the list of documents to be considered at the current part of the resumed session (A/C.5/60/L.40).

2. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that, in view of the Committee's heavy workload, it was regrettable that the Group must once again express concern at the late submission of a substantial number of reports, which had forced the Committee to delay the start of its work by three weeks. Moreover, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had been prevented from preparing a comprehensive report on peacekeeping policy matters. As a result, Member States would not be able to have a fully informed discussion of cross-cutting policy issues or of the extent to which the Secretariat had implemented General Assembly resolution 59/296.

3. The Group of 77 and China was concerned at the tendency for budgets of peacekeeping operations to be submitted late and in breach of the six-week rule for document issuance set by the Assembly. The size of peacekeeping budgets had increased significantly in recent years, and yet Member States were given less and less time each year to complete their consideration of the related resource requirements and policy aspects. The Group therefore expected the Secretariat to make a greater effort in future to comply with the provisions of the relevant General Assembly resolutions.

4. The Group wished to stress the tentative nature of the programme of work, as well as its expectation that the Bureau would amend the programme as necessary to reflect the progress made in the Committee's negotiations. It regretted that the Committee would not be able to adopt a comprehensive resolution on cross-cutting issues at the resumed session. However, it would examine the budgets of peacekeeping missions carefully and ensure that they were adopted expeditiously in the plenary Assembly, so that the Secretariat could issue assessment letters in time for the start of the new financial period. The Group was aware that budgets were time-bound but expected that the programme of work would provide Member States with enough time to consider them thoroughly.

5. It was imperative for the Secretariat to implement General Assembly resolution 60/260 and for the reports on Secretariat and management reform to be prepared strictly in accordance with its provisions. It was also imperative to ensure that adequate time and conference services were provided to the Committee to consider the reports. Every effort should be made to avoid a repetition of the situation that had arisen in April 2006, when the first part of the resumed session had been extended in the absence of any formal decision to that effect. It was essential that the rules of procedure of the General Assembly should be respected.

6. **Mr. Drofenik** (Austria), speaking on behalf of the European Union, the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, and Serbia and Montenegro; and, in addition, Iceland, the Republic of Moldova and Ukraine, said he was concerned that a number of the reports submitted for discussion would not be considered at the resumed session but wished to commend the Bureau for preparing a balanced and realistic programme of work. He was confident that, with the necessary political will and spirit of cooperation, the Committee would successfully conclude its negotiations by the scheduled date of 30 June 2006 at the latest.

7. The Committee would need to consider the budgets for the support account, the United Nations Logistics Base at Brindisi and 15 peacekeeping operations. Some of the missions were very large and would require both extensive discussion and careful consideration. The European Union attached particular importance to the cross-cutting issues relating to peacekeeping. It was essential for the Committee to give the relevant policy guidance before approving the resources for peacekeeping operations.

8. The European Union noted with concern that the Advisory Committee had commented neither on the overview report on the financing of the United Nations peacekeeping operations nor on some of the other thematic reports scheduled for consideration at the current part of the resumed session. Even though it might not be possible to approve a cross-cutting resolution, important thematic issues would need to be addressed in the appropriate context.

9. The European Union attached the utmost importance to the expected reports relating to the implementation of the 2005 World Summit Outcome, especially those on investing in the United Nations, procurement and oversight, and governance. It also awaited the request of the Secretary-General to lift the spending cap imposed by the General Assembly in resolution 60/247 A on the 2006-2007 programme budget.

10. It was important to agree on a common strategy for the capital master plan. The European Union stood ready to take a decision on the matter at the current part of the resumed session and in general preferred strategy IV. The resignation of the Executive Director of the Capital Master Plan Project was regrettable, and the Committee must avoid any further delays.

11. Recalling that a non-consensus draft resolution had been put forward at the first part of the resumed session, he said that the practice must not be repeated. The Committee worked on the basis of consensus, and that working method, which had served the Committee well for at least 20 years, must be continued in order to ensure the Committee's effective functioning.

12. **Mr. Torrington** (Guyana), speaking on behalf of the Rio Group, said that even though the Committee had been required to deal with extremely difficult issues in recent months, the pursuit of consensus outcomes should remain Members' common objective. General Assembly resolution 60/260 provided considerable scope for management reform, and it was crucial that the momentum should be maintained.

13. The Rio Group attached great importance to enabling the United Nations peacekeeping missions to achieve their objectives. In that connection, adequate financing was crucial. The role played by the United Nations Stabilization Mission in Haiti (MINUSTAH) in helping to restore democratic institutions in that country merited special mention, and the Rio Group supported its efforts.

14. In accordance with General Assembly resolution 49/233 A, the consideration of matters relating to the financing of peacekeeping operations was the primary focus of the second part of the resumed session. A broad overview of the issues common to the performance of all peacekeeping missions was critical to their proper assessment. The Rio Group therefore deeply regretted that the Advisory Committee's report on cross-cutting issues would not be available for consideration, particularly as its absence might have a negative impact on the financing of some missions, as well as on their efficiency.

15. The current reform process was critical, but it was also essential to provide sufficient time for the consideration of peacekeeping operations in all their aspects. The Rio Group would encourage the Bureau to allocate appropriate time for the consideration of all agenda items, and also wished to reiterate the importance of the timely provision of all documentation.

16. The Rio Group had repeatedly stressed the urgency of the refurbishment of United Nations Headquarters, and the Committee must proceed swiftly to articulate a clear strategy for that process. The resignation of the Executive Director of the Capital Master Plan Project was regrettable, particularly since it had been due in part to a lack of interest on the part of some delegations.

17. The implementation of measures aimed at increasing the efficiency and effectiveness of programme delivery and improving the system of accountability and the integrity and transparency of the administration of justice within the United Nations system would ensure commitment to the highest standards of performance and conduct.

18. The Group regarded as unfortunate any restriction imposed on the Secretary-General's authorized budgetary expenditure and trusted that no undue linkage would be made between the lifting of the current spending cap and the negotiations on reform.

19. **The Chairman** said he took it that the Committee wished to approve the proposed programme of work on the understanding that adjustments would be made, as necessary, during the course of the session.

20. *It was so decided.*

Agenda item 121: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/60/5 (Vol. II) and Corr.1, A/60/691 and A/60/784)

21. **Mr. Cabatuan** (Chairman of the Audit Operations Committee of the United Nations Board of Auditors) introduced the report of the Board of Auditors on United Nations peacekeeping operations (A/60/5 (Vol. II) and Corr.1), which covered the 12-month period from 1 July 2004 to 30 June 2005.

During that period, the Board's audit of peacekeeping operations, excluding Headquarters, had included visits to 2 field missions funded from the regular budget, 15 missions funded from special assessed contributions and the United Nations Logistics Base at Brindisi. The audit conducted at Headquarters had also covered the Peacekeeping Reserve Fund and the support account for peacekeeping operations, 1 liquidated mission and 22 completed missions.

22. As reflected in paragraph 5 of its report, the Board continued to pay special attention to the concerns and requests of the Advisory Committee and the General Assembly, notably with respect to the need for details concerning the age of recommendations; lessons learned with regard to the assignment of resident auditors in the missions; implementation of standardized procedures and methods for information-gathering in respect of results-based budgeting; rations management; medical evacuation arrangements; and supplier performance evaluations.

23. The audit opinion expressed by the Board was reflected in chapter III of the report. Although the Board had not qualified its opinions on the financial statements and the regularity of the transactions it had tested, it had nevertheless drawn attention to the review of procurement activities undertaken by the Office of Internal Oversight Services (OIOS); the review of the Procurement Service's internal controls, which had been conducted by a private firm, and the forensic audit commissioned by the Administration, which would be carried out in the context of the host country legal system. The Board had emphasized those matters because the impact, if any, of those reviews and investigations on the financial statements as a whole could not be determined by early 2006.

24. The total income for peacekeeping operations had amounted to $4.5 billion, an increase of $1.5 billion, or 50 per cent, compared with the previous financial year. That was largely in line with the expected 41 per cent increase in expenditures, to $4.1 billion from $2.9 billion. Outstanding assessed contributions had risen by 9 per cent. In operational terms, the Department of Peacekeeping Operations had cash of only $1.74 for every $2.05 of liabilities as at 30 June 2005.

25. In reviewing the procurement and contract management of the Department of Peacekeeping Operations, the Board had addressed only the extent to which its recommendations had been implemented. Although there had been noticeable improvements in certain areas, the Board remained concerned about several issues: systems contracts had not been allocated on an equitable geographical basis; vendor review committees had still not been established at all missions; guidelines for implementing ethical principles for United Nations procurement staff had not yet been promulgated; procurement plans were not yet being used as a tool for effective and efficient procurement management; and performance bonds had not always been obtained from contractors in a timely manner.

26. Air transport expenditures had amounted to $371.2 million out of the $459.2 million budgeted, and only 43 per cent of the contracts awarded during the 2003/04 period had been subjected to on-site aviation quality inspection. A total of 90,973 flight hours had been utilized, 42,323 hours fewer than the 133,296 budgeted hours. Although such savings were welcome, they showed a need for improved calculation of the expected flight hours based on which funds were allocated. Aviation support staffing had been inadequate to manage the increased air assets, raising concerns about the safety and efficiency of air operations.

27. With the exception of the accounting guidelines and procedures, the draft policies and procedures in respect of strategic deployment stocks had still not been promulgated. Moreover, the receiving and inspection process was not always performed in a timely manner.

28. The lack of a formal definition of an integrated mission had resulted in a lack of understanding of the functions and structures of such missions and of the collective responsibilities of key actors. It appeared that the integrated mission concept and its impact had not always been discussed with all those concerned at the country level.

29. Standard operating procedures with regard to rations management had not been implemented at newly established missions, and packaging, storage and temperature control deficiencies had again been noted at seven missions. At the United Nations Mission for the Referendum in Western Sahara (MINURSO) and the United Nations Mission of Support in East Timor (UNMISET), rations had been procured without valid rations contracts.

30. Leave management in five missions required enhancement. Also, the Department of Peacekeeping Operations should comply with the General Assembly's request to end the practice of hiring individuals as contractors on a continuous basis for tasks regarded as core functions.

31. Resident auditors continued to be a valuable internal oversight mechanism within peacekeeping operations. However, resident auditors' deployment had been based mostly on expenditure levels, while factors such as risk and complexity of operations had not been fully considered.

32. The Administration had reported to the Board 30 cases of fraud and presumptive fraud as at 30 June 2005, compared with 6 cases in the previous financial year. Of those 30 cases, 25 had occurred within the United Nations Mission in Sierra Leone (UNAMSIL), and 19 had related to fuel fraud. The losses relating to the 19 fuel fraud cases, where quantified, were estimated at $1.5 million. The Board was concerned that problems such as fuel mismanagement might be more pervasive across the various peacekeeping missions.

33. The Board had noted that 45 per cent of its previous recommendations were under implementation, compared with 48 per cent at the end of the previous financial year. Its main recommendations were contained in paragraph 13 of its report.

34. **Mr. Childerley** (Chief of the Oversight Support Unit in the Office of the Under-Secretary-General for Management), introducing the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2005 (A/60/691), said that, as in the previous financial year, the Administration had made every effort to provide full and complete information to the Board for inclusion in its report. Consequently, in most cases, the Board's report adequately reflected the position of the Administration on each recommendation, and it had proved necessary to provide further comments on only 22 of the Board's 72 recommendations.

35. As well as commenting on specific recommendations, the report before the Committee also responded to paragraph 11 of General Assembly resolution 60/234, in which requested the Secretary-General was requested to include information, in future reports, on the setting of time frames, the identification of office-holders and priorities for implementation. An additional section had therefore been added to the report, providing summary information on those items.

36. The implementation of all Board recommendations would be given high priority, but special attention would be given to the 20 main recommendations highlighted by the Board. The new section contained a summary analysis indicating the departments responsible for their implementation, the relevant time frames and the status of implementation as at February 2006.

37. **Mr. Abraszewski** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/60/784), said that a number of reviews involving peacekeeping operations had been planned or under way during the Board's audit, whether by OIOS, the Joint Inspection Unit or external consultants. Therefore, in order to avoid duplication of effort, the Board had limited its coverage of related subjects to following up on the status of implementation of its previous recommendations in those areas. Furthermore, in rendering its unqualified audit opinion, the Board had drawn attention to the review of procurement activities being undertaken by OIOS and to the internal controls review outsourced by the Administration and had stated that it was aware of the forensic audit commissioned by the Administration to expand on those reviews.

38. The Advisory Committee commended the Board for its clear and reader-friendly report and welcomed in particular the inclusion of details concerning the age of recommendations that were either under implementation or had not been implemented.

39. The Board had noted that cases of ex post facto approval of contracts had more than tripled, from 30 in 2003 to 97 in 2004. Those were cases in which the administrative head of mission had made procurement awards in excess of the delegated procurement authority of $200,000 without prior presentation to the Procurement Service at Headquarters. The Advisory Committee urged the Administration to take a fresh look at the entire process, including the issue of delegation of authority, giving due account to the need for strong accountability measures.

40. The Advisory Committee welcomed the Board's thorough reporting on air operations, which it would discuss in greater detail in its general report on peacekeeping operations. It had highlighted the need for the Department of Peacekeeping Operations to undertake an analysis of the new costing structure for air operations contracts to determine whether it had resulted in savings or brought other benefits.

41. The Board had recommended that the Department of Peacekeeping Operations, in collaboration with the relevant peacekeeping missions, should develop and implement regional coordination plans aligned to the missions' objectives. In that connection, the Advisory Committee recommended that the Department should continue to explore ways to increase regional management of air assets and that it should coordinate with the Department of Political Affairs with a view to the sharing of assets between peacekeeping operations and special political missions.

42. The Advisory Committee continued to believe that an analysis of the support account should be carried out, as described in its previous general report, and that the Board was an appropriate entity to undertake that task. Such an analysis would include an examination of how fluctuations in the level of peacekeeping activities affected the level of required backstopping, a study of which factors determined the level of required backstopping and a delineation of functions, identifying which must be performed at Headquarters and which could be carried out in the field. Accordingly, in its report on the support account (A/60/807), the Advisory Committee requested the Board to undertake further analysis of management and post and non-post resource issues relating to the support account.

43. **Mr. Drofenik** (Austria), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, and Serbia and Montenegro; and, in addition, Iceland, Liechtenstein, Norway, the Republic of Moldova and Ukraine, said that the European Union commended the Board of Auditors for having further improved the structure of its report and supported the recommendations contained therein. It appreciated the list of previous Board recommendations and details on the age of the recommendations provided in the report. It noted with concern, however, that 40 of the earlier recommendations had not yet been implemented and called on the Secretariat to remedy the situation. In that context, it joined the Advisory Committee in requesting a more stringent approach to the question of responsibilities and the time frame for implementation of recommendations of the Board of Auditors.

44. The European Union was alarmed about the level of outstanding assessed contributions, which had amounted to $1.7 billion for 2004/05, an increase of 9 per cent over the previous period. Non-payment of assessments had a negative impact on cash flows and encouraged cross-borrowing. All Member States must pay their assessed contributions in full and on time so that peacekeeping operations could fully carry out their mandates.

45. The European Union emphasized the need to establish effective procurement policies and ensure that the right tools were in place for the system to operate efficiently. The Department of Peacekeeping Operations required comprehensive rules and regulations, better internal control mechanisms, an effective vendor review procedure and performance bonds, a cadre of trained and professional staff, and a comprehensive and up-to-date information technology system to ensure a harmonized approach in the procurement process.

46. The European Union shared the Board's concern about the apparent trend of over budgeting for air transportation costs. It welcomed the establishment by the Department of Peacekeeping Operations of a costing structure for all air carrier contracts but noted that no cost-benefit analysis of the new system had been conducted. It was mindful of the fact that the Secretary-General's overview report on the financing of the United Nations peacekeeping operations (A/60/696) contained a proposal for undertaking such a review and regretted that the report would not be considered at the resumed session. Given that air services accounted for about 20 per cent of the overall peacekeeping budget, the European Union supported the recommendations of the Board and the Advisory Committee that the Department should undertake such a cost-benefit evaluation as soon as possible.

47. The European Union supported the concept of regional cooperation between United Nations operations in the field, which could result in substantial efficiency gains. It concurred with the Advisory

Committee that such cooperation needed to take place on the basis of an appropriate plan and should not rely on ad hoc arrangements. It also supported the recommendation of the Board of Auditors that the concept of integrated mission partnerships should be formalized and further developed.

48. The European Union noted with concern that reports of cases of fraud had increased significantly and requested the Secretary-General to conduct a thorough investigation and hold accountable those responsible for fraudulent activity, while making every effort to recover misappropriated funds.

49. **Mr. Tarrisse da Fontoura** (Brazil), speaking on behalf of the Rio Group, commended the Board of Auditors on its clear report and welcomed the inclusion of details concerning the age of recommendations that were either in the process of being implemented or had not yet been implemented.

50. His delegation agreed fully with the Board of Auditors that the Secretariat must take further action to improve procurement opportunities for vendors from developing countries, so as to guarantee a more equitable geographical distribution of procurement contracts. It expected detailed proposals to be made in that regard in the context of management reform, as requested in General Assembly resolution 60/260, and it was disappointed that the Advisory Committee had not made any concrete recommendation on the matter.

51. In future reports of the Board of Auditors, in tables indicating the geographical distribution of mission operational expenditure and contracts, the category "the Americas" should be further broken down into North America and Latin America.

52. With regard to air operations, his delegation welcomed the Board's recommendation that the Department of Peacekeeping Operations should implement measures to ensure that technical compliance and inspection/performance evaluations were performed at all missions to verify carriers' compliance with aviation and safety requirements. It would also be important to maintain a database of all aviation inspection/performance reports. In that connection, his delegation was concerned to note that understaffing was impeding the Air Transport Unit's ability to conduct those inspections.

53. In the area of vehicle fleet management, his delegation concurred with the Board that the Secretariat should reinforce the implementation of the rotation policy at peacekeeping operations where vehicles within the same categories were rotated to optimize efficiency and utility.

54. There was a need to strengthen accountability in the Organization for the effective implementation of legislative mandates. Accountability of the Secretariat to all Member States was a fundamental part of management reform. His delegation therefore encouraged the Secretary-General to propose clear parameters for its application and instruments for its enforcement, without exception, at all levels. Lastly, his delegation reiterated its strong support to all peacekeeping operations and all peacekeeping personnel.

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/60/681 and Corr.1 and Add.1, A/60/682, A/60/696, A/60/699, A/60/700, A/60/711, A/60/713, A/60/715, A/60/717, A/60/720 and Add.1, A/60/727, A/60/787, A/60/807 and A/60/856)

55. **Mr. Sach** (Controller) said that, in the past 12 months, the scope, dynamic nature and volatility of peacekeeping activities had remained a challenge to the Organization in deploying and managing 15 peacekeeping operations and 16 political and peacebuilding missions. The completion of the mandates of UNMISET and UNAMSIL in May 2005 and December 2005, respectively, had provided little respite for the Secretariat as it had moved ahead with administrative and logistical backstopping in preparation for the full deployment of military and civilian personnel in the United Nations Mission in the Sudan (UNMIS) and the expansion of military and civilian personnel in the United Nations Operation in Côte d'Ivoire (UNOCI) and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC).

56. In June 2005, the Security Council had authorized increases in the strength of military and police personnel for MINUSTAH and UNOCI, resulting in the submission of revised budgets for the 2005/06 period at the main part of the sixtieth session. In addition, as a result of the Security Council's decision in September 2005 to increase the authorized strength of military and police personnel in MONUC, the Mission's full budget for 2005/06 had also been submitted at the main part of

the sixtieth session, as had the budget for UNMIS up to 30 June 2006.

57. With the recent completion of all budgets for the period from 1 July 2006 to 30 June 2007, the total peacekeeping budget for 2006/07, including the resources for the support account and the United Nations Logistics Base (UNLB) at Brindisi, was estimated at $4.8 billion. That figure, which reflected full deployment of military and police personnel in UNMIS and of the authorized increases in military and police personnel in MONUC and UNOCI, represented a decrease of $256.4 million, or 5.1 per cent, compared with the total peacekeeping budget of $5 billion approved for 2005/06. The decrease was primarily attributable to the request for commitment authority for the United Nations Operation in Burundi (ONUB) in the amount of $79.2 million for the period from 1 July to 31 October 2006. In that regard, the Secretariat had originally planned to submit the full 2006/07 budget for ONUB in line with the normal submission cycle. However, pending a decision by the Security Council on the Secretary-General's proposals in his sixth report on the United Nations Operation in Burundi (S/2006/163), including the planned withdrawal of ONUB by 31 December 2006, the Secretariat had felt it prudent to request interim financing under commitment authority for the four-month period just indicated. The Secretary-General intended to submit the full 2006/07 budget for ONUB, currently estimated at approximately $100 million at the main part of the sixty-first session.

58. The overall decrease between 2005/06 and 2006/07 was also attributable to the closure of UNAMSIL and UNMISET, the continued downsizing of the United Nations Interim Administration Mission in Kosovo (UNMIK) and slight reductions in the resource requirements for 11 other missions, as well as for the support account and UNLB.

59. He underscored that the decrease might be temporary, taking into account current developments in some missions, which might result in additional resource requirements for 2006/07. For example, the recent Security Council decision regarding planning for the possible expansion of UNMIS into Darfur would have substantial resource implications. In addition, if the Council approved the Secretary-General's proposals on the troop strength of UNOCI, additional resources would probably be required. That would be reflected in a revised budget for UNOCI, which would be submitted to the General Assembly at the main part of its sixty-first session.

60. The resource requirements for MONUC had been based on the assumption that the presidential and legislative elections would be held by 30 June 2006. In connection with the delay in holding the elections and pending the determination of the full resource requirements of the Mission arising from the continued provision of support to the elections, as well as of the degree to which those requirements could be accommodated through temporary arrangements with other peacekeeping operations, it was the Secretary-General's intention to absorb them, to the fullest extent possible, within the proposed 2006/07 budget for MONUC. The related expenditures would be reported to the General Assembly in the context of the Mission's 2006/07 performance report.

61. Lastly, the situation with respect to the United Nations Mission in Ethiopia and Eritrea (UNMEE) and MINUSTAH remained uncertain. The Security Council's forthcoming decision on the options for the future of UNMEE, including its possible transformation into an observer mission, might require the submission of a revised budget lower than the current estimates for 2006/07. The Secretary-General was expected to submit his proposals on the role and structure of MINUSTAH in the post-electoral environment in Haiti well in advance of the expiration of the Mission's current mandate on 15 August 2006. The Secretary-General's recommendations and the Security Council's related decision might require the submission of a revised 2006/07 budget for MINUSTAH at the main part of the sixty-first session. While it was difficult at the current stage to ascertain the final resource requirements for peacekeeping for 2006/07, the total level might equal, if not exceed, the $5 billion budget for 2005/06.

62. In response to concerns raised about the apparent late submission of the performance reports for 2004/05 and budgets for 2006/07, he said that a total of 34 financing reports had been scheduled for submission for 13 active missions, 3 closed missions, the support account and UNLB. By the end of January 2006, 21 reports, 62 per cent of the total, had been submitted to the Department for General Assembly and Conference Management. By the end of March 2006, all remaining reports had been submitted, with the exception of the 2006/07 budgets for UNOCI and MONUC, which had been submitted in mid-April and early May,

respectively. It should be noted that, while the 2005/06 budgets for MINUSTAH and UNMIS had not been approved until December 2005, the Secretariat had managed to submit the full 2006/07 budgets for those missions in the second half of March 2006. Unfortunately, that goal had not been met in the case of the budgets for UNOCI and MONUC because of the need for extensive substantive and technical consultations.

63. The Secretary-General's overview report on the financing of the United Nations peacekeeping operations (A/60/696) provided information on the implementation of requests contained in General Assembly resolution 59/296 and in the report of ACABQ on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/59/736). In addition, it outlined management initiatives proposed by the Department of Peacekeeping Operations for 2006/07. In an effort to streamline legislative reporting, the overview report included a section on the status of the Peacekeeping Reserve Fund. The actions to be taken by the General Assembly were presented in paragraph 152 of the report.

64. With respect to budget performance for the period from 1 July 2004 to 30 June 2005, total resources for peacekeeping for 2004/05 had amounted to $4.4 billion, inclusive of the support account and UNLB. Related expenditures had amounted to $4.1 billion, resulting in an unencumbered balance of $0.3 billion — equivalent to 6.2 per cent of the total appropriation — and an overall budget implementation rate of 94 per cent, slightly lower than the overall implementation rate of 95 per cent for the financial period from 1 July 2003 to 30 June 2004. Detailed information on the factors that had affected budget performance were provided in section III of the Secretary-General's overview report (A/60/696).

65. The performance reports for 2004/05 reflected continuing efforts by the Secretariat to make the results-based frameworks more concrete, streamlined and reader-friendly by applying standard criteria to the performance information provided. Such criteria included a justification and planned completion date, if actual indicators of achievement and outputs had fallen significantly short compared with the plan; an element of measurability, where that was not already provided in the baselines established as part of the 2004/05 budget; and information on significant unplanned actual indicators of achievement and outputs. The performance reports also reflected the Secretariat's efforts to enable Member States to make fully informed decisions on peacekeeping missions by providing clear, measurable information on results and on the missions' contributions to those results.

66. In the light of the provisions of General Assembly resolution 60/255, section III, concerning liabilities and funding for after-service health insurance benefits, the proposals for action to be taken by the General Assembly contained in the 2004/05 performance reports required modification. Accordingly, the draft resolutions to be considered by the Committee in informal consultations would reflect the full return to Member States of the unencumbered balances and other income, as recommended by the Advisory Committee in its various reports. As to the budget estimates for 2006/07, the corresponding draft resolutions would reflect the exclusion from the amounts to be appropriated of a related provision included under common staff costs and equivalent to 4 per cent of total net salaries; those amounts had not been taken into account in the recommendations of the Advisory Committee in its reports issued to date.

67. With respect to the performance report on the budget of the support account for peacekeeping for the period from 1 July 2004 to 30 June 2005 (A/60/681 and Corr.1 and Add.1), against an approved budget of $121.6 million, expenditures had amounted to $118 million, leaving an unencumbered balance of $3.6 million, equivalent to 2.9 per cent of the resources approved. It was recommended that the General Assembly should apply the unencumbered balance of $3.6 million and other income for the period ended 30 June 2005 amounting to $2.1 million to the support account requirements for the period from 1 July 2006 to 30 June 2007.

68. The budget for the support account for peacekeeping operations for the period from 1 July 2006 to 30 June 2007 (A/60/727) amounted to $189.5 million, representing an increase of $42.6 million, or 29 per cent, over the resources approved for 2005/06. The General Assembly was requested to approve the support account estimate for 2006/07; to apply the unencumbered balance and other income for the period ended 30 June 2005 in the total amount of $5.7 million and, in addition, the amount of $15.8 million, representing the excess in the authorized level of the Peacekeeping Reserve Fund for the period

ended 30 June 2005, to the resources required for the support account for 2006/07; and to prorate the amount of $168 million among the individual active peacekeeping operation budgets to meet the support account requirements for 2006/07.

69. With respect to the performance report on the budget of UNLB for the period from 1 July 2004 to 30 June 2005 and implementation of the strategic deployment stocks, including the award of contracts for procurement (A/60/700), against an approved budget of $28.4 million, reported expenditures had amounted to $28.2 million, leaving an unencumbered balance of $0.2 million, equivalent to 0.8 per cent of the resources approved. The General Assembly was requested to apply the unencumbered balance and other income for the period ended 30 June 2005 in the total amount of $1.4 million to the resources required for the Logistics Base for the period from 1 July 2006 to 30 June 2007.

70. The budget for UNLB for the period from 1 July 2006 to 30 June 2007 (A/60/711) amounted to $35.6 million, representing an increase of $4.1 million, or 13 per cent, over the previous period. The General Assembly was requested to approve the estimate for the maintenance of the Logistics Base for 2006/07; to apply the unencumbered balance and other income for the period ended 30 June 2005 in the total amount of $1.4 million to the resources required for the Logistics Base for 2006/07; and to prorate the amount of $34.2 million among the individual active peacekeeping operation budgets to meet the Base's requirements for 2006/07.

71. **Mr. Kerley** (Department of Peacekeeping Operations) introducing the report of the Secretary-General on the use of the United Nations Logistics Base to provide efficient and economical communications and information technology services, as well as other services, for United Nations peacekeeping and Headquarters clients (A/60/715), said that the report provided information on the functions proposed for establishment at UNLB during fiscal year 2006/07, which had been included in the cost estimates for the Logistics Base. A Regional Aviation Safety Office was to be established to monitor closely and oversee safety issues for aircraft deployed in peacekeeping missions, particularly the missions in Georgia and Kosovo. The establishment of the Office would result in net cost savings of some $200,000 as a result of the abolition of posts in those missions. In addition, a Training Delivery Cell was to be created to assist with the delivery of training to Headquarters and peacekeeping missions as part of the integrated training service. That would require a net increase of three additional professional posts. The report also contained details of other functions under consideration for subsequent movement to UNLB. In that context, it was proposed to establish a Strategic Operations Centre, an Aviation Quality Assurance Programme, a Central Design Unit, a Geographical Information System and a secondary active communications facility.

72. The report of the Secretary-General on the cost-benefit analysis on the issue of the transfer of vehicles with high mileage to the United Nations Logistics Base at Brindisi, Italy, to other missions and to upcoming United Nations peacekeeping operations (A/60/699) included information on the current practices followed by the Department of Peacekeeping Operations in that regard. It covered instances where used light 4x4 vehicles had been transferred from UNMIK to the United Nations Operation in Côte d'Ivoire and from the United Nations Verification Mission in Guatemala (MINUGUA) to MINUSTAH. The transfers had been intended to meet the immediate operational needs of the new peacekeeping missions and had been deemed cost-effective, as the vehicles had some residual life. They had occurred at a time when the strategic deployment stocks had been depleted and the local rental markets in both mission areas had been limited and expensive. The Department of Peacekeeping Operations would continue to review the transfer of high-mileage vehicles on a case-by-case basis, bearing in mind operational needs and other appropriate factors.

73. **Mr. Abraszewski** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the related reports of ACABQ (A/60/787 and A/60/807). The Advisory Committee recommended a reduction of $31.7 million in the level of the proposed budget for the support account for the period from 1 July 2006 to 30 June 2007 (A/60/807). The Advisory Committee had consistently stated that all support account posts needed to be justified and that a purely incremental approach was not appropriate, given the evolving nature of peacekeeping missions. The requirement for additional functions or tasks to be performed should not necessarily lead to a requirement for additional posts, nor should the creation of new units be proposed as a means of justifying new or

higher-level posts. Furthermore, the support account should not be used as a vehicle to propose the establishment of posts that should more properly be proposed under the regular budget. Before additional resources were requested, management processes should be reviewed in order to identify what efficiency gains had been achieved and what further gains were possible through streamlining and improved methods. In paragraph 9, the Advisory Committee had repeated its request to the Board of Auditors to conduct an analysis of the evolution of the support account. That request was in accordance with the Financial Regulations and Rules of the United Nations.

74. Paragraphs 40 to 119 contained detailed recommendations on the post and non-post resource requirements for the support account. Of the 142 net additional posts requested, the Advisory Committee recommended approval of 55. It further recommended that action on 42 posts should be deferred. Of those posts, 22 would be considered in the context of subsequent reports of the Secretary-General on reform and 20 in the light of the analysis and proposals referred to in paragraph 114 of the Advisory Committee's report. Lastly, the Advisory Committee recommended deferring final decisions on some of the Secretary-General's proposals pending consideration of reports related to the follow-up to the 2005 World Summit Outcome.

75. Concerning the Logistics Base at Brindisi (A/60/787), the Advisory Committee recommended acceptance of the proposed budget for the period from 1 July 2006 to 30 June 2007. It noted the progress that had been made in the presentation of the performance data of the Base against the planned results set out in the 2004/05 budget and in filling the additional posts authorized by the General Assembly for the current period. It had taken note of the comments made by the Board of Auditors concerning the receiving and inspection process at Brindisi and trusted that the next budget submission for the Base would contain information on measures taken to address the Board's findings, as well as on further efforts to improve asset management. The Advisory Committee's report on UNLB also contained its comments on two related submissions: the report of the Secretary-General on the use of the United Nations Logistics Base to provide efficient and economical communications and information technology services, as well as other services, for United Nations peacekeeping and Headquarters clients (A/60/715) and the report of the Secretary-General on the cost-benefit analysis on the issue of the transfer of vehicles with high mileage to the United Nations Logistics Base at Brindisi, Italy, to other missions and to upcoming United Nations peacekeeping operations (A/60/699).

76. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services) introduced four reports of the Office of Internal Oversight Services (OIOS), contained in documents A/60/682, A/60/713, A/60/717 and A/60/720. The report of OIOS on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717) was based on the results of audits of seven key areas: procurement, financial management and budgeting, human resources management, information and communication technology, mission planning, substantive operations, and best practices.

77. The Department of Peacekeeping Operations had made progress in recent years in improving the management of peacekeeping operations. However, those achievements had not kept pace with the challenges resulting from the rapid increase in field activities. Also, there had not been adequate emphasis on establishing a high level of ethical behaviour and accountability. In that connection, OIOS stressed the importance of the Charter of the United Nations, which referred explicitly to the necessity of securing the highest standards of efficiency, competence and integrity, and the responsibility of management for internal control in an organization. Internal control in the Department of Peacekeeping Operations needed significant improvement, particularly in procurement, where there had been a number of cases indicating systematic breaches of United Nations regulations and rules. One of the root causes of that situation was the reluctance of management to hold staff members accountable. That had led to an unacceptably high exposure to the risk of fraud and abuse. Appropriate mechanisms should be established without delay to ensure managerial accountability at all levels, both at Headquarters and in field missions. It was encouraging to note that management had already taken steps to address the specific cases highlighted in the report.

78. OIOS had identified considerable scope for improving the management of peacekeeping operations by reorganizing the budget process for improved efficiency and elimination of duplication; delegating recruitment authority to field missions, subject to

effective monitoring at Headquarters; optimizing the use of information and communication technology; strengthening the capacity for mission planning and the provision of strategic guidance and direction; improving coordination between the Department of Peacekeeping Operations and other United Nations departments and agencies; and placing greater emphasis on the identification and dissemination of best practices from positive and negative lessons learned.

79. OIOS had made 158 recommendations in the seven audit reports, including 105 considered to be critical. Of those recommendations, 133 had been accepted. OIOS had reiterated 25 unaccepted recommendations for reconsideration by the departments concerned. She was pleased to report that most of the accepted recommendations were in the process of being implemented; OIOS would continue to monitor on a regular basis the progress made in that regard.

80. In order to rationalize and consolidate the submission of reports for consideration by the General Assembly, OIOS proposed that the annual report on its activities related to peacekeeping operations should be issued as a separate document. That would enable it to prepare a comprehensive annual report for consideration by the General Assembly at its resumed session, when peacekeeping matters were normally taken up. If the proposal was accepted, the first such report would be submitted to the Assembly at its resumed sixty-first session.

81. In preparing its report on the audit of the standard costs applied to Headquarters overhead (A/60/682), OIOS had reviewed cost estimates for facilities and infrastructure, communications and information technology included in the budget for the support account for peacekeeping operations for the period from 1 July 2005 to 30 June 2006. Cost categories for which standard costs were not applicable had not been reviewed. OIOS had found that budget estimates were generally based on standard cost guidelines. However, the Department of Management had not established a policy for maintaining and updating those guidelines, and the guidelines were not consistently applied. Furthermore, the guidelines for estimating standard costs needed to be realigned with the corresponding actual costs incurred. The adjustments recommended by OIOS would have generated net savings of $970,000 in the budget estimates for the support account for 2005/06. The Department of Management had generally concurred with the 13 recommendations issued by OIOS and had undertaken to implement them by reviewing and updating the standard costs in the context of preparing the support account budget for 2006/07.

82. The major objective of the global review of discipline in field missions led by the Department of Peacekeeping Operations (A/60/713) had been to assist the Department's senior management in determining a course of action to strengthen the Organization's standards of conduct and ensure full compliance with them. The review had been conducted over a two-month period simultaneously in 18 missions and in the Logistics Base at Brindisi. It had showed that there was a need to establish a clear link between the Organization's standards of conduct, its core values and competencies and the Charter of the United Nations, particularly Article 101.

83. Overall, the shortcomings identified in the report could be attributed to a number of inadequacies in Headquarters and field mission leadership. The Department of Peacekeeping Operations and the Office of Human Resources Management had failed to provide clear policies and procedures on discipline and guidelines for their implementation. Moreover, there was no dedicated, full-time capacity, either at Headquarters or in the field, for monitoring the state of discipline and coordinating efforts to address conduct and discipline issues.

84. OIOS had issued 28 recommendations calling, inter alia, for more detailed policies and guidelines on discipline; closer monitoring by and greater accountability for managers; more consistent and fairer application of disciplinary mechanisms across all categories and levels of peacekeeping personnel; proper recording and maintenance of data on misconduct; better coordination between Headquarters and field missions and between mission components in tackling misconduct; strengthened capacity in the Department of Peacekeeping Operations and field missions for monitoring and handling discipline issues; and a comprehensive misconduct prevention programme, including comprehensive risk assessment, better training, improved welfare and recreation facilities, and greater transparency in reporting misconduct. She noted with satisfaction that the Department of Peacekeeping Operations and the Office of Human Resources Management had already begun

to implement most of those recommendations and were working with OIOS to develop training programmes, including modules on the code of conduct, the prevention of sexual exploitation and abuse, and investigative techniques.

85. The report of OIOS on the investigation conducted by the Investigations Task Force into fraud and corruption allegations at Pristina Airport (A/60/720) was a consolidated follow-up to the 33 investigation reports issued by the Task Force during the period from August 2004 to June 2005. The Task Force had been established in November 2003 to identify fraud and corruption in the United Nations Interim Administration Mission in Kosovo (UNMIK) and in publicly owned enterprises in Kosovo. It was a partnership between OIOS, the Financial Investigations Unit of UNMIK and the Anti-fraud Office (OLAF) of the European Commission.

86. The Special Representative of the Secretary-General, in his response to the final draft of the report, had stated that it was outside the jurisdiction of OIOS to report to the General Assembly on the results of Task Force investigations. He had not addressed the recommendations contained in the report, since he did not accept that OIOS had the right to direct those recommendations to him. UNMIK, however, had responded to all 11 recommendations made by OIOS and, as a result of the investigations, two airport employees had been dismissed and five more had been given warnings. OIOS looked forward to following up on the implementation of the recommendations and it would report thereon to the General Assembly in its annual report.

87. **Mr. Cooper** (Officer-in-Charge of the Administrative Support Division in the Department of Peacekeeping Operations) introduced the note by the Secretary-General containing his comments on the report of OIOS on the investigation conducted by the Investigations Task Force into fraud and corruption allegations at Pristina Airport (A/60/720/Add.1). The Secretariat had taken the exceptional step of preparing the note so as to ensure that the Committee was fully informed about the structural and management reforms undertaken by UNMIK since 2003 to address issues of governance, fraud and corruption in publicly owned enterprises in Kosovo, including Pristina Airport. That information had been provided to OIOS, which had chosen not to include it in its final report. Over the past three years, most of the concerns originally raised by OIOS had been addressed. Eight of the 11 recommendations made had been implemented. Substantial progress had been made in implementing another of the recommendations, while implementation of one was not considered feasible. The final recommendation, concerning the submission of the OIOS report to the Security Council, had not been accepted, since consideration of the report was quite properly a matter for the General Assembly. He trusted that the note would give Member States a measure of confidence that the reforms implemented since 2003 had significantly reduced the opportunities for fraud and corruption in Kosovo's publicly owned enterprises.

88. **Mr. Drofenik** (Austria), speaking on behalf of the European Union, the acceding countries Bulgaria and Romania; the candidate countries Croatia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, and Serbia and Montenegro; and, in addition, Liechtenstein, the Republic of Moldova and Ukraine, said that, while the 30 per cent increase proposed for the support account budget for 2006/07 reflected an upsurge in peacekeeping activities, an analysis should be conducted to determine the level of Headquarters backstopping actually required, no such study having taken place since the establishment of the support account in 1991. The European Union also wished to reiterate its request for a complete report on the review of the management structure of all peacekeeping operations.

89. The European Union understood the rationale for the Advisory Committee's recommendation that final decisions on certain proposals for the support account should be deferred pending consideration of reports on such issues as procurement, audit and oversight, to be introduced later in the session. However, it reserved the right to revert to those very relevant resource requests. While it was aware that the substantial increase in resources for non-post requirements was due in part to the transfer of resources from mission budgets to the support account, it wished to receive more detailed justification of the resources requested. It welcomed the establishment of the new Integrated Training Service and of posts for a permanent capacity at Headquarters to address conduct and discipline issues, as well as the increased capacity proposed for the Peacekeeping Best Practices Section and the Police Division.

90. The European Union endorsed the Advisory Committee's recommendations on the budget proposal for UNLB and the proposed establishment of a training delivery cell and a regional aviation safety office at the Logistics Base. It noted with interest the Secretary-General's proposals for the Base for 2007/08 and concurred with the Advisory Committee that full justification and a detailed cost-benefit analysis should be given prior to the establishment of any new organizational structures.

91. The observations and recommendations made by OIOS in its important and thought-provoking report on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717) merited careful attention. Lastly, the European Union was concerned about the OIOS findings with respect to Pristina Airport. The Secretariat should identify the lessons learned and apply them to current and future operations.

92. **Mr. Kozaki** (Japan) said that he would make a single statement on agenda items 121 and 136. The proposed budgets for United Nations peacekeeping operations for 2006/07 amounted to nearly $5 billion. It was important to scrutinize those budgets to ensure that the resources requested were fully justified and that the operations were managed in an efficient, effective and accountable manner. In that connection, his Government was concerned about reported cases of fraud and presumptive fraud. Indeed, it would find it difficult to support the peacekeeping budgets unless it was convinced that all necessary measures were being taken to prevent similar cases from occurring in the future and that management practices in the Secretariat were being improved, including by placing greater emphasis on accountability. That was in line with its responsibility to its taxpayers to ensure that Japan's contributions were used in strict compliance with financial regulations and rules.

93. Careful consideration should be given to thematic management issues before individual mission budgets were approved. While his delegation welcomed the Secretary-General's overview report on the financing of the United Nations peacekeeping operations (A/60/696), it was keen to hear the Advisory Committee's views on those issues. The implementation of the guidance and recommendations contained in the resolutions of the General Assembly and the reports of ACABQ and the Board of Auditors should also be carefully analysed. The budget submissions themselves must be based on a realistic assessment of requirements and reflect opportunities for efficiency gains.

94. The overview report contained a number of proposals with policy and financial implications. Those proposals, including the reform strategy entitled "Peace operations 2010", required careful examination by Member States. The new initiatives would not lead to improvements without a clear and comprehensive analysis of the existing management structure. It was therefore regrettable that the Secretary-General was not yet in a position to submit a complete report on the review of the management structure of all peacekeeping operations. His delegation was aware that OIOS was working on a report that would address the issue of management structures. However, in the meantime, the problem of duplicative, top-heavy structures would remain. Moreover, there appeared to be little monitoring by Headquarters of the evolution of structures in individual missions.

95. With regard to procurement, the report of OIOS on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717) drew attention to a lack of care and involvement on the part of senior managers, a lack of internal controls and ignorance of procurement procedures among field procurement officers, as well as highlighting several instances in which procurement requirements had been overestimated. His delegation noted with deep concern the observation made by OIOS that inaccurate forecasting of requirements exposed the Organization to risks of collusion with vendors, theft and other irregular activities. It was also concerned about unexplained non-compliance with manuals, guidelines and regulations and the increase in the number of cases of fraud and presumptive fraud in peacekeeping missions. It fully supported the recommendation by the Board of Auditors that the Department of Peacekeeping Operations should carefully analyse the elements that had led to the reported fraud and take the necessary punitive measures, draw lessons and share those lessons with other missions.

96. Sexual exploitation and abuse in missions tarnished the reputation and credibility of United Nations peacekeeping. Accordingly, there must be a policy of zero tolerance, and every effort should be made to address the systemic weaknesses that accounted for such gross misconduct.

97. Despite the fact that all recently established missions were complex, integrated missions, there had been insufficient explanation and discussion of the administrative and budgetary aspects of such missions. The observation made by the Board of Auditors that there was no formal definition of an integrated mission had reinforced his delegation's concerns in that regard. OIOS had found that the integrated mission planning process lacked strategic guidance and direction from Headquarters and that results-based budgeting was not linked to the planning process, which increased the risk of inefficient and ineffective use of resources. The Administration should formalize the concept of integrated mission partnerships, determine their function, structure and role, and finalize the principles, policies and guidelines to govern integrated missions.

98. His delegation wished to know more about the policy of the Department of Peacekeeping Operations concerning authorization of the use of liaison aircraft for flights designated for "other tasks", and it concurred with the recommendation of the Board of Auditors that the Department should replace the "other tasks" flight category with a description of the specific nature of such flights in order to facilitate proper monitoring and decision-making. In that connection, it wished to reiterate its position that integrated missions should not be used as a mechanism for financing non-mission activities from Member States' assessed contributions.

99. Inter-mission cooperation contributed to the effective use of mission resources. His delegation therefore supported the recommendation of the Board of Auditors regarding regional coordination plans. The Administration should clarify its comment that it was cautious about producing such plans owing to concerns about operational priorities and limitations on resource-sharing.

100. His delegation endorsed the Advisory Committee's recommendation that the Board of Auditors should be requested to analyse the management of support account post and non-post resources. It attached importance to the implementation and follow-up of the Board's recommendations on air transportation, ground transportation, inventory management and rations. Lastly, it found the views of OIOS on information and communication technology appropriate and useful.

101. **Mr. Aljunied** (Singapore) said that the conclusions of the report of OIOS on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717) seemed to suggest that the control environments in both the Department of Peacekeeping Operations and the Department of Management were weak, and that internal controls must be strengthened and established controls enforced. His delegation saw a need to ensure effective follow-up to the recommendations of OIOS. To assist Member States, he suggested that a comprehensive table indicating the problem areas and the status of implementation of the recommendations should be prepared, with reasons given for non-compliance and areas of disagreement highlighted. It was also important to know whether the recommendations were being implemented in the field.

102. Turning to the section on procurement in the report, the disagreements between OIOS and the Department of Peacekeeping Operations about the methodology and quality of parts of the report raised questions about decisions made on the basis of it. Another shortcoming of the report was that OIOS had been unaware of the delegation of procurement authority by the Department of Management to the Department of Peacekeeping Operations when it had prepared the report. Senior staff had been given authority to conduct procurement activities in the field up to the level of $2 million without seeking approval from the Department of Management. That oversight raised serious issues as to the conduct of the investigations and the conclusions of the OIOS report. Had it been aware of that delegation of authority, its audit might have focussed attention on senior officials of the Department of Peacekeeping Operations responsible for procurement.

103. As stated in the report (A/60/717, paras. 20 and 21), there was a serious shortage of staff in the Procurement Service, which had led to critical tasks and operational procedures being overlooked. Several requests on record for additional staff had been rejected by senior management, however, even before the staffing proposals had been submitted to the General Assembly. The decision to deny the requests for additional staff was absurd, as the Procurement Service had fewer staff in 2005, when it had handled over $1 billion in procurement volume, than it had in the mid-1990s, when the volume had been around $300 million. The Procurement Service was being

called to account for deficiencies, even though the potential problem had long been identified and no action had been taken. He requested an explanation from the Department of Management as to why the requests for more staff had been rejected.

104. Another issue of concern was the commissioning by senior officials of audit studies on procurement activities by firms like Deloitte Consulting LLP, without any authorization from Member States. The Under-Secretary-General for Management had seen fit to use the Deloitte report to paint the United Nations in a negative light, as an organization where corruption was rife and fraud pervasive, ignoring the fact that several prior reports had not unearthed any wrongdoing. He also noted that, in 2004, there had been some 47 audits of the Procurement Service, almost one a week, by OIOS and such external auditors as the United States Government Accountability Office. It would be interesting to know if those auditors had highlighted the fundamental weaknesses which the consultants had identified.

105. It had been over five months since eight staff members had been placed on administrative leave to facilitate the ongoing audit and investigation into procurement activities. Despite all the human and financial resources put into the investigation, not a shred of evidence had been discovered to substantiate the alleged pervasive corruption and substantial evidence of abuse in procurement. The only conclusions to be drawn were that either there was nothing to be found or that the entire army of internal and other investigators was grossly incompetent. If the system was as flawed as the media had been led to believe by the Under-Secretary-General for Management and some major contributors, it would have been highly irresponsible for management to maintain the same procurement system. He would like to know who would be held accountable for the costs of the investigations in the event that no corruption was found and who would be held responsible for the damage done to the image and reputation of the United Nations.

106. The serious issues he had raised should be addressed as a matter of priority, in the context of the ongoing management reforms. In that connection, he emphasized that any reform of the United Nations must be carried out for the right reasons and with the desire to strengthen the Organization for the collective good of its membership.

Agenda item 139: Financing of the United Nations Peacekeeping Force in Cyprus (A/60/584, A/60/592 and A/60/785)

Agenda item 142: Financing of the United Nations Mission of Support in East Timor (A/60/614 and A/60/789)

Agenda item 143: Financing of the United Nations Mission in Ethiopia and Eritrea (A/60/615, A/60/636 and Corr.1 and A/60/790)

Agenda item 144: Financing of the United Nations Observer Mission in Georgia (A/60/643 and Corr.1 and Corr.2, A/60/652 and A/60/810)

Agenda item 146: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission (A/60/651 and A/60/788)

Agenda item 147: Financing of the United Nations Interim Administration Mission in Kosovo (A/60/637, A/60/684 and A/60/809)

Agenda item 149: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force (A/60/628 and Corr.1, A/60/641 and Corr.1 and Corr.2 and A/60/811)

(b) United Nations Interim Force in Lebanon (A/60/629, A/60/642, A/60/812 and Corr.1)

Agenda item 150: Financing of the United Nations Mission in Sierra Leone (A/60/631 and A/60/786)

107. **Mr. Sach** (Controller), introducing in a single statement the reports of the Secretary-General on the financing of specific peacekeeping missions, drew attention to the performance report on the budget of the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July 2004 to 30 June 2005 (A/60/584). It revealed total expenditures of $48.6 million against an appropriation of $49.4 million, leaving an unencumbered balance of $0.8 million. The General Assembly would be requested to credit to Member States the unencumbered balance and other income adjustments ($0.5 million) in

the total amount of $1.3 million in a manner to be determined by the Assembly. The proposed budget for the period from 1 July 2006 to 30 June 2007 (A/60/592) would require the General Assembly to appropriate the amount of $45 million for the maintenance of the Force, including $20.9 million net to be funded through voluntary contributions from the Government of Cyprus and the Government of Greece, and to apportion the balance of the appropriation, should the Security Council decide to continue the mandate of UNFICYP.

108. Turning to the performance report on the budget of the United Nations Mission of Support in East Timor (UNMISET) (A/60/614), expenditure had totalled $81.5 million against an appropriation of $85.1 million, leaving an unencumbered balance of $3.6 million. The General Assembly would be asked to credit to Member States the unencumbered balance and other income adjustments ($13.2 million) in the total amount of $16.8 million in a manner to be determined by the Assembly. In paragraph 11 of the report on the final disposition of the Mission's assets (A/60/703), the General Assembly was asked to take note of the report.

109. The performance report on budget of the United Nations Mission in Ethiopia and Eritrea (UNMEE) for the period from 1 July 2004 to 30 June 2005 (A/60/615) reported total expenditure of $180.3 million against an appropriation of $205.3 million, leaving an unencumbered balance of $25 million. The General Assembly would be requested to credit to Member States the unencumbered balance and other income and adjustments ($7.2 million) in the total amount of $32.2 million in a manner to be determined by the Assembly. The proposed budget for UNMEE for the period from 1 July 2006 to 30 June 2007 (A/60/636 and Corr.1) was $175.3 million, representing a decrease of $1.4 million. The General Assembly would be requested to appropriate and assess the amount of $175.3 million for the maintenance of the Mission for the 2006/07 period, should the Security Council decide to continue the mandate of the Mission.

110. The performance report on the budget of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2004 to 30 June 2005 (A/60/643 and Corr.1 and Corr.2) showed expenditures of $31.1 million against an appropriation of $31.9 million, leaving an unencumbered balance of $0.8 million. The General Assembly would be requested to credit to Member States the unencumbered balance and other income and adjustments ($1 million) in the total amount of $1.8 million in a manner to be determined by the Assembly. The proposed budget for UNOMIG for the period from 1 July 2006 to 30 June 2007 (A/60/652) was $33.7 million, which represented a decrease of $0.9 million. The General Assembly would be asked to appropriate and assess the amount of $33.7 million for the maintenance of the Mission for the 2006/07 period, should the Security Council decide to continue its mandate.

111. The final performance report of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) was contained in document A/60/651. Pursuant to Security Council resolution 1490 (2003), the mandate of UNIKOM had expired on 6 October 2003. The liquidation activities, including disposal of assets, had been carried out during the period from 4 July to 6 November 2003. Expenditure for the period from 1 July to 6 November 2003 had amounted to $7 million. The income, expenditure and fund balance for the period from inception, on 9 April 1991 to 30 June 2005, were presented in table 2 of the report. The General Assembly would be requested to return two thirds of the cash balance of $41.8 million, equivalent to $27.8 million, to the Government of Kuwait, and to credit Member States with the remaining balance of $13.9 million in a manner to be determined by the Assembly.

112. The performance report on the budget of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2004 to 30 June 2005 (A/60/637) showed expenditures of $294.5 million against an appropriation of $294.6 million, leaving an unencumbered balance of $0.1 million. The General Assembly would be requested to credit to Member States the unencumbered balance and other income and adjustments ($10.3 million) for a total of $10.4 million, in a manner to be determined by the Assembly. The proposed budget for the period from 1 July 2006 to 30 June 2007 (A/60/684) was $219.2 million, which represented a decrease of $20.7 million. The General Assembly would be requested to appropriate and assess the amount of $219.2 million for the maintenance of the Mission for the 2006/07 period.

113. Turning to the financing of the United Nations Disengagement Observer Force (UNDOF), he said that the performance report for the period from 1 July 2004 to 30 June 2005 (A/60/628 and Corr.1) showed

expenditures of $40.8 million against an appropriation of $40.9 million, leaving an unencumbered balance of $0.1 million. The General Assembly was requested to credit to Member States the unencumbered balance and other income and adjustments ($1.9 million) for a total of $2 million in a manner to be determined by the Assembly. The proposed budget for the period from 1 July 2006 to 30 June 2007 (A/60/641 and Corr.1 and Corr.2) amounted to $40 million, a decrease of $1.5 million from the previous period. The General Assembly would be requested to appropriate and assess the amount of $40 million for the maintenance of the Force for the 2006/07 period, should the Security Council decide to continue the mandate of UNDOF.

114. With regard to the financing of the United Nations Interim Force in Lebanon (UNIFIL), the performance report for the period from 1 July 2004 to 30 June 2005 (A/60/629) showed expenditures of $89.2 million against an appropriation of $92.9 million, leaving an unencumbered balance of $3.7 million. The General Assembly would be requested to credit to Member States the unencumbered balance and other income and adjustments ($5.1 million) in the total amount of $8.8 million in a manner to be determined by the Assembly. The proposed budget for the period from 1 July 2006 to 30 June 2007 (A/60/642) was $94.1 million. The General Assembly would be requested to appropriate and assess that amount for the maintenance of the Force for the 2006/07 period, should the Security Council decide to continue the mandate of UNIFIL.

115. Finally, with regard to the financing of the United Nations Mission in Sierra Leone (UNAMSIL), the performance report for the period from 1 July 2004 to 30 June 2005 (A/60/631) showed expenditures of $264.5 million against an appropriation of $291.6 million, leaving an unencumbered balance of $27.1 million. The General Assembly would be requested to credit to Member States the unencumbered balance and other income and adjustments ($72.2 million) in the total amount of $99.3 million in a manner to be determined by the Assembly.

116. **Mr. Abraszewski** (Vice-Chairman, of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)) introduced the reports of the Advisory Committee on the financing of the nine peacekeeping operations. In its report on UNFICYP (A/60/785), the Advisory Committee recommended acceptance of the Secretary-General's proposal for the 2006/07 budget. In the light of the interdependence and complementarity of the mandates of the Special Adviser and of UNFICYP and given the extensive knowledge and experience acquired by the Force over the many years of its presence in Cyprus, it should be possible for UNFICYP to provide support to the Special Adviser in carrying out his mandate. The Advisory Committee urged UNFICYP to make every effort to avoid any duplication of effort and to ensure efficiency and optimum use of resources. It requested that any savings realized under the Office of the Special Adviser to the Secretary-General on Cyprus as a result of the support provided by UNFICYP to be reflected in the performance report.

117. The Advisory Committee was of the opinion that in long-established missions such as UNFICYP, the proportion of support staff should be lower than in the more recent, complex missions, which had a heavier burden during the start-up and initial phases. The proportion of support staff to military personnel should therefore gradually decrease with time, and the grade levels of civilian staff should also be adjusted to the levels of effective responsibility, especially when the missions were downsized, as had been the case of UNFICYP in 2005. There was a need for all peacekeeping operations to carry out a periodic review of the number and grade levels of support staff, in particular following a change of mandate or downsizing.

118. With regard to its report on UNMISET (A/60/789), the Advisory Committee had considered both the performance report for the period from 1 July 2004 to 30 June 2005 and the report on the final disposition of UNMISET assets. The performance report provided a detailed snapshot of the Mission's planned indicators of achievement and related outputs for the 2004/05 period. The Advisory Committee recommended that the General Assembly should take note of the report on the final disposition of the assets of UNMISET.

119. Turning to the report on UNMEE (A/60/790), he said that the Committee recommended acceptance of the Secretary-General's proposal for UNMEE. Should the Security Council take action that would modify the scope of its operations, as foreseen in the budget submission for the 2006/07 period, revised estimates should be presented expeditiously.

120. In paragraph 26 of document A/60/810, containing its report on UNOMIG, the Advisory Committee recommended a slight reduction in the resources requested but otherwise recommended acceptance of the Secretary-General's proposals. In its report on UNIKOM (A/60/788), the Advisory Committee recommended that the General Assembly should accept the proposal of the Secretary-General with regard to the final performance report of UNIKOM.

121. The Advisory Committee did not recommend any reduction for UNMIK in its report (A/60/809). With regard to the performance report, the Committee had noted with concern an apparent lack of progress in reducing the level of expenditures that were subsequently cancelled, and it expected that the next performance report would contain information on specific measures taken to mitigate the situation.

122. On the budget of UNMIK, the Advisory Committee had reiterated its request that the proposed budget should explain both the rationale for downsizing, as well as the linkages for proposals for reduced staffing and financial resources. It had taken into account the large number of proposed abolitions and downward reclassifications and noted that post changes mainly reflected reprogramming of functions. The Advisory Committee had commented on proposed resource requirements for the conduct and discipline team at UNMIK and expected that those resources would be used for the intended purpose only and in full compliance with General Assembly resolution 59/296. That comment was also applicable to similar units proposed for other missions.

123. In its report contained in document A/60/811, the Advisory Committee recommended acceptance of the estimates for UNDOF. With regard to UNIFIL, in its report (A/60/812), the Advisory Committee commented on an investigation related to the supply of fuel and rations that implicated one of the Force's contingents. It pointed out that fraud cases caused a financial ripple effect, in that there were indirect costs in addition to the direct costs. In the UNIFIL case, the financial burden placed on Member States would also include, inter alia, travel-related costs of repatriating the contingent members concerned and replacing them with new contingent members, as well as deployment-related costs (physical equipment transport and personnel travel) to and from UNIFIL of the outgoing and incoming contingents.

124. The documentation for UNAMSIL was limited to a performance report for the 2004/05 period. The Advisory Committee noted that there was a divergence between the budgetary assumptions and actual payments for the salaries of national staff, a situation that had also occurred in several other missions, and it trusted that steps would be taken to rationalize them. It had been informed of a pattern of extensive fuel fraud at UNAMSIL, which demonstrated the necessity of strengthening the monitoring of fuel consumption across all peacekeeping operations urgently. Part IV of the Advisory Committee's report on UNAMSIL (A/60/786) contained a discussion of the activities of the Mission related to liquidation. The Advisory Committee emphasized once again the heightened need for close oversight during the liquidation phase and for close coordination between UNAMSIL and OIOS to ensure that proper oversight mechanisms were in place during the liquidation phase and that due attention was paid to ensuring strict application of United Nations rules and regulations and accepted practices in a transparent manner.

125. **Mr. Diab** (Syrian Arab Republic) said that UNDOF had been created 30 years earlier by Security Council resolution 350 (1974) as a result of the Israeli occupation of the Syrian Arab Golan and the continued failure of Israel to comply with that and subsequent resolutions by withdrawing to its 1967 borders. He reiterated his delegation's position that the funding of UNDOF must be borne by the occupying Power. His Government had respected the Disengagement Agreement; it welcomed the presence of UNDOF and offered its support to the mission.

Other matters

126. **Mr. Elnaggar** (Egypt) said that, on 16 May 2006, the Secretary-General had announced the appointment of Ms. Carolyn McAskie as the Assistant Secretary-General for Peacebuilding Support. His delegation requested clarification of the implications of draft resolution A/C.5/601/L.2, which the Committee had adopted, and how that appointment fulfilled its mandate. The Committee had not endorsed the Secretary-General's proposals or the ACABQ recommendations, and had not therefore established any such office or related posts.

The meeting rose at 1 p.m.